

CANADA'S

WEEKLY NEWSMAGAZINE

# Maclean's

## Whistle Blower

A top researcher warns that a drug she is testing could be dangerous. The drugmaker fights back. Now, a debate over money and morality is raging through the medical world.

Dr. Nancy Olivieri,  
Hospital for  
Sick Children

NOVEMBER 16, 1998 \$3.95



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**AIR FRANCE**

WINNING THE HEARTS OF THE WORLD

# Maclean's CANADA'S WEEKLY NEWSMAGAZINE This Week

NOVEMBER 14, 1998 VOL. 21, NO. 46

## Departments

EDITORIAL 4

LETTERS 6

OPINION AND COMMENTARIES 14

CANADA 16

The Quebec election campaign battles starkly conflicting visions, a heated tale of mixed messages from Ottawa

SPECIAL REPORT: THE NEW COLUMBIA 26

WORLD 32

Neil Gaiman quits in Hanoi Spooks after U.S. voters back Bill Clinton. Prince Charles faces demands that he step over his misadventure in the shadows of Canada's Prime Minister

SCIENCE 44

Science's move into the entertainment business leaves some investors cold. Canadian Pacific is no longer just a railway company

PERSONAL FINANCE 62

For those who can't stand the risk, bear funds are one way to beat worst stock market losses

COVER 64

EDUCATION NOTES 78

Students learn to act: school changes as held in Ontario. UBC closed at school change

SPORTS 78

PEOPLE 82

BOOKS 83

Three authors describe adventures at sea. P.J. O'Rourke returns to the world's wilderness. French Police tells some but not all

FIRES 88

Chlorine is a coming-of-age story. The Sept. 10 strikes everyone but just Niagara

COLUMNS

SARAH AMIEL 11

BRUCE WALLACE 30

GEROME RICHARDY 48

PETER C. NEWMAN 63

ALLAN FOTHERINGHAM 92

## Cover

64

### Whistle-blower

When Toronto blood disease researcher Dr. Nancy Owen tried to stop clinical trials of a medication she considered dangerous, the drugmaker refused. The episode spotlights widespread concerns that drug company interests are stifling research



## Features

20

### SPECIAL REPORT Operation salvage

Under attack from critics on all fronts B.C. Premier Stan Clark's government is trying to mend fences, especially with the province's business community



32

### The horrors of Mitch

Norlan Javier Ocasio, 10, lost a brother and sister in the horror of Hurricane Mitch as it slammed Central America, killing 10,000



79

### Breaking through

As the Grey Cup heats, a resurgent CFL is defying the doomsmongers. Meanwhile, its former star Doug Flutie is making the NFL

PHOTO BY GUY LAWRENCE FOR MACLEAN'S

PHOTO BY GUY LAWRENCE FOR MACLEAN'S



# From The Editor

## In support of the Nisga'a



In the late 19th century, missionaries began converting Nisga'a in northwest British Columbia to Christianity with an iron fist. They forced the aboriginals to denounce their rejection of old spiritual beliefs by burning in their ritual symbols—pipes, head-dresses and masks—which, in turn, were sold around the world. Elaborate totem poles were chopped down, buried and used as kindling. It was as if the churches, backed by federal Indian agents, wanted to wipe out all traces of a proud people who had lived in the Nass River valley for 10,000 years.

The Nisga'a never gave up, eventually winning their fight in Canadian courts. Last weekend, after 30 years of negotiations and a tentative agreement with Ottawa and the provincial government, the Nisga'a were voting on the terms of a deal that would give them control over about 2,000 square kilometres—an area three quarters the size of greater Vancouver—\$100 million in cash and, over all, the dignity that goes with taking control of their own local affairs (page 27).

The agreement is highly controversial, even though it came to fruition under Social Credit and NDP governments (and Conservatives and Liberals in Ottawa). Critics, led by B.C. Liberal Leader Gordon Campbell, are demanding a provincewide referendum, claiming that the deal betrays important new constitutional powers. NDP Premier Glen Clark has retorted, saying minority rights should never be put to a vote. The province estimates the total cost of the treaty—mostly federal funds—over 15 years at \$312 million, opponents say that because of foregone revenues on resources that will fall within Nisga'a con-



Nisga'a moon mask. They didn't give up.

trol, it will be closer to \$500 million. There is also criticism that the Nisga'a will be exempt from certain taxes and royalties, and that a provision guaranteeing access to 17 per cent of the Nass River's treasured salmon streams to a race-based fishery. David Black, publisher of 50 B.C. community newspapers, has gone so far as to assert that "this treaty establishes apartheid throughout British Columbia forever."

A wide cross-section of B.C. labor and business leaders are behind the agreement. Indeed, popular support for the treaty is greater than that for Clark and his cabinet. The NDP Borden, the Nisga'a have repeatedly won court decisions validating their land claim. "The foundations of their legal argument," Clark recently said in a visit to Metlakatla, "effectively is a property rights argument. And the argument is, in our British system, you cannot expropriate without compensation."

As the courts have confirmed, the Nisga'a never relinquished their rights, because they never signed a treaty—and were able to establish a paper trail in support of their claim dating back to 1890. "The Nisga'a people have never blockaded a road," Clark added. "They have never used civil disobedience, they have never challenged the orthodoxy of our law through legal means."

To use a contemporary phrase, the Nisga'a got their deal the old-fashioned way—they earned it.

Robert Lewis

## Newsroom Notes:

### Upset over drug testing

What makes the conflict raging between medical researchers and drug companies all the more remarkable is the level of hostility it has engendered. As word circulated in the research community that Merck's new working on the story (page 54), Senior Writer Jane O'Hara began to receive phone calls offering the "real background" on Dr. Nancy Olivieri, the researcher at Toronto's Hospital for Sick Children who has been



Olivieri (left), O'Hara, drop hostility

trying to map links of a blood disorder drug. Denouncing anonymity, the column delivered shocking details about Olivieri's ethics and personal behavior—none of which withstood scrutiny. "Olivieri has paid a terrible price for standing up for her beliefs," says O'Hara, who was assisted by Research Reporter Sherrill Dubel. Senior Writer John DeKostar wrote the copy on the federal Health Protection Branch's—his last assignment from Ottawa before taking up his new post as Metlakatla's Health Bureau Chief. Meanwhile, Vancouver Bureau Chief

Chris Wood and Western Business Correspondent Jennifer Huffer produced an eight-page Special Report (page 55) on the political and economic woes facing British Columbia.



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Mariusz Malin  
Edmonton, A.C.

of the past, as well as the importance of reconciliation and healing, and renewed partnership. I would like to point to quick fixes and magic solutions, but we all know that real, sustainable change takes time—the royal commission said it would take 20 years. Let me assure you that progress is happening.

WATSON-FLORIN ET AL. 1996

Put 1,400 engineers and 2,300 technicians together and there's no telling what they'll come up with.

Take, for instance, the dimpled bolt.

On every bolt of every Lexus, you'll find the unmistakable mark of our engineers.

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Consider too its .28 coefficient of drag. An aerodynamic, and not to mention, aesthetic achievement that surpasses all other luxury sedans and equals that of many sports cars.

Then there is the characteristically fragile figure for an automobile of such endowment: an 8.7L/100 km highway fuel consumption.

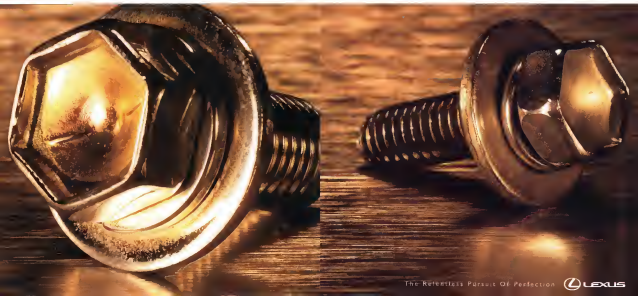
Can numbers like these really be attributed to a single dimpled bolt? Probably not. But certainly, the thinking behind the bolt.

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nance on your vehicle including warranty work. Dealers make more money being it then selling your vehicle, so they want your service business.

You should also visit a number of dealers as you have a feeling for the professionalism of their overall operation. Drop in to their showrooms and see how you are treated. Watch how the sales staff deal with other potential customers on the showroom floor. Find out how long they have been in business. Ask about their standard financing fees for various lengths of loan repayment periods. If they are advertising specific vehicles at specific prices, inquire about those deals and see if you are comfortable with how the sales staff handle your interest. There are very good dealers and they

are very reasonable by talking to their staff. Even a very naive consumer can tell the difference between a true professional and someone with less qualifications. Once you have chosen the vehicle you want, visit at least three same-make dealers.

### Read the fine print

Although lease-to-own payments can make purchasing a vehicle financially manageable, it is important to remember that for most people, buying a vehicle is a very substantial purchase. For most of us, it is only exceeded in value by buying a house — and we enlist the help of our lawyers for that and use the expertise of our real estate agent in many cases. Yet, with a vehicle purchase it is

up to you to review the whole process and make sure you are comfortable with the purchase terms and understand every component.

Before you sign on the dotted line, you should review all aspects of the purchase one final time with the dealer's representative. This should include what you are being allowed for your trade-in, the financial terms, the down payment, the cost of the option package you may have chosen, taxes, 'freight', and the cost of any add-on components you have chosen such as rust protection, upholstery treatment and so forth. If the salesperson becomes impatient with this, it may be a sign that this is not a dealership suitable for a long-term relationship.

## IN THE CITY AND THE FORESTER

The new 1999 Forester is bringing a host of exciting, new automobiles and Subaru has taken the industry by storm with it's new generation, Sport Utility Vehicle — the Forester.

Many of our custom fleet customers have tested the Forester as the best in it's class ahead of the Honda CR-V and Toyota RAV4 (TSN) Meeting '98 - Best New Compact Sport Utility Vehicle, plus accolades as Compact CUV's Leasing/Lease World of Wheels and Consumers Digest magazine to name a few! Fortunately, many consumers feel the same way. So perhaps it is no surprise that sales of the Forester have been well ahead of Subaru Canada Inc.'s expectations.



The new 1999 Forester is a dynamic blend of car and sport utility. It possesses a 2.5L 4 cylinder (horizontally opposed) SOHC 16-valve boxer engine with 165 hp compared to the 126 hp CR-V and 133hp RAV4. The energetic

Forester is built for the majesty of off road driving coupled with the style comfort an expert for any work. Nevertheless the smart Subaru engineers in Japan have successfully kept the fun in making it an outstanding, safe vehicle with superior gas mileage found on a car.

One cannot write an article about Subaru without mentioning their leadership in providing safe and reliable cars. Subaru is after all, the forerunner in the engineering of All Wheel Drive (full-time All Wheel Drive is found on all Subaru cars and models providing active safety and traction). One will also find 4-Wheel, 4-Door ABS, a superior system to that found on competitors' buggies.

What else makes the Forester an exciting and successful vehicle? How about front and rear SRS air bags, side impact door beams, front and rear crumple zones, child protection rear door locks, collapsible steering column, halogen head lights and fog lamps, CRC-five air conditioning ('98 model), sport rack system, front and rear cap holders, keyless entry, power heated mirrors, windows, locks, brakes, 80 watt AM/FM cassette/CD player, wired glass, plastic of storage compartments, a low ramp hinged tailgate and low idler height to make loading and unloading a breeze!

There is truly only one way to see how the Forester excels, it's the test drive. Contact your nearest Subaru dealer and discover what the journalists already know.

(www.subaru.ca or 1-800-876-4AWD)

# SAYONARA. BON VOYAGE. 再見 HASTA LA VISTA. ARRIVEDERCI. AUF WIEDERSEHEN.

[How many ways can we say good-bye?]

## '98 SUBARU CLEARANCE SALE ENDS SOON.

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<b>FORESTER</b> Forester 2.5i 2000-2001 2000-2001 2000-2001	<b>OUTBACK</b> Outback 2.5i 2000-2001 2000-2001 2000-2001	<b>OUTBACK SPORT</b> Outback Sport 2.5i 2000-2001 2000-2001 2000-2001	<b>LEGACY</b> Legacy 2.5i 2000-2001 2000-2001 2000-2001	<b>IMPREZA</b> Impreza 2.5i 2000-2001 2000-2001 2000-2001	<b>OUTBACK SPORT</b> Outback Sport 2.5i 2000-2001 2000-2001 2000-2001
<b>FORESTER</b> Forester 2.5i 2000-2001 2000-2001 2000-2001	<b>OUTBACK</b> Outback 2.5i 2000-2001 2000-2001 2000-2001	<b>OUTBACK SPORT</b> Outback Sport 2.5i 2000-2001 2000-2001 2000-2001	<b>LEGACY</b> Legacy 2.5i 2000-2001 2000-2001 2000-2001	<b>IMPREZA</b> Impreza 2.5i 2000-2001 2000-2001 2000-2001	<b>OUTBACK SPORT</b> Outback Sport 2.5i 2000-2001 2000-2001 2000-2001

\*Finance rates shown are for new 1998 Subaru models. 2.9% per month based on financing. Financing example: \$19,200 at 2.9% for 36 months. Finance fee is a monthly payment of \$64.00. One off-payment of \$47.26. Total payment is \$19,472.00. There is a simple calculation for Prospective Buyer's 30-Day Money Back Guarantee. Contact your nearest Subaru dealer and make your offer. Financing offers and dealer incentives are subject to credit review. Sub and accessories. For more valuable financing and financing options and dealer information, visit our website at [www.subaru.ca](http://www.subaru.ca) or call 1-800-876-4AWD.

# Dealers Act on Consumer Suggestions

**T**he often repeated axiom — "The consumer is always right" — is one that many dealers take very seriously," says Gord Resemder, Vice President of the Toronto Automobile Dealers Association (TADA) and president of a Toronto-area Volkswagen dealership.

This is one of the reasons we recently funded a qualitative focus group study of female automobile buyers to provide us with a better idea of their thoughts and feelings about our industry," he adds.

One of the greatest challenges we have in addressing old perceptions about our industry "they are sometimes difficult to shake and we want to make sure we are doing everything pos-

sible to earn customer satisfaction.

Among the issues identified by the focus group were concerns about being pressured by salespeople when purchasing an automobile, a lack of knowledge about the cost and servicing of an automobile and the lack of female sales and service personnel.

Our industry has long recognized the need to provide long-term customer satisfaction if we are to succeed and many of the issues brought out by the focus group are ones we have already been addressing," Mr. Resemder says.

There is no question about the need for consumers to be fully informed about the type of automobile they want to buy and the servicing of vehicles.

This approach will go a long way in dispelling the any and learn some consumers have."

As some of the focus-group participants identified, not only is it important to have so much advanced information about the type of car one wants to buy a person should also have a good idea of one's own budget limitations.

To help consumers our industry has already made a good deal of this information available on the internet. We also recommend they visit the special automotive sections of daily newspapers or consumer reports or obtain their information through direct electronic mail from most dealers as well as through visits to individual dealerships.



Gord Resemder,  
Vice President of TADA

## CLINICS

"In addition, many dealers put on monthly new car clinics for buyers and potential buyers, where people can discuss questions relating to price, performance, options, or whether to finance an automobile through purchase or lease. There are also clinics on servicing a vehicle, where customers get a better understanding on how automobiles function, the wear and tear aspects of an automobile and a better idea of costs such as a specific flat rate versus a more comprehensive packaged deal."

Mr. Resemder says these clinics are proving to be very popular with consumers as a way to obtain necessary information. They appreciate the fact they are able to interface directly with a person working in the industry rather than getting their information secondhand.

Earlier this year all new car dealers in Ontario adopted new advertising standards that make all advertising clear so consumers can truly understand what dealers are offering it all seems."

As a result of the voluntary initiative, we have in effect introduced a ban against misleading or deceptive statements, calling instead for accurate, verifiable information that provides the consumer with the highest possible level of disclosure and presented in plain language."

"While the vast majority of our members have long been in con-

comply with the regulations it risks losing its provincial registration."

Increasing the number of female sales and technical personnel has been a more difficult task to achieve. "While there has been some increase in the number of female sales and service personnel in the past few years we still have a way to go," Mr. Resemder says.

He feels dealers are exploring ways to attract more women into the industry particularly since there are tremendous opportunities for them to make a good living in both the sales and technical areas.

"We also help fund selected community college programs which have attracted women. We hope more will be encouraged to enroll in these programs."

"At the same time, many dealers are utilizing human resources professionals to help their sales staff recognize and deal with issues concerning women. Most of these issues are also of concern to men."

"We are involved in numerous initiatives to make the purchasing and servicing experience less stressful, from making play areas for children to contacting customers on a regular basis when their automobiles need to be serviced. This latter initiative helps our customers ensure their automobile will continue to be covered by the manufacturer's warranty. Not only does this type of check-up help catch little problems before they become big ones, it also helps maintain the vehicle's safety."

The focus groups and new-car clinics help us keep abreast of consumer concerns," Mr. Resemder adds. "We believe the initiatives we are undertaking to meet these concerns will be a win-win situation for both consumers and dealers."



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## Volvo introduces nimble S70 All-Wheel Drive sedan

**F**or 1999, the capable Volvo All-Wheel Drive system makes its first appearance in a sedan. Equipped with an eager 190-horsepower, turbocharged 20-valve engine that complements its aggressive stance, this S70 puts its power on the ground in a most convincing way.

Volvo's intelligent AWD system continually keeps tabs on the car's dynamic state — the ever-changing combination of acceleration, braking, cornering and traction available at each wheel. And it adjusts the distribution of power among the wheels according to what it senses. If a wheel is about to slip, the system feeds less power to that wheel and more to the wheels with better traction. The car literally detects the conditions it has to work with at any moment and makes the best possible use of them.

The experience is one of confident connection to the road. This is particularly apparent to Canadian drivers when road conditions run the gamut from rain to sleet to snow to ice...sometimes all in a matter of minutes!

The new S70 AWD takes its place in the burgeoning Volvo AWD lineup alongside the spirited and spacious V70 AWD sportswagon, the formidable 247-horsepower V70 R AWD, and the go-most-anywhere V70 AWD Cross Country. And the AWDs are only one branch of a rapidly growing Volvo family tree.

Volvo models range from the fully equipped front-wheel drive S70 and V70 models, through the virtuous AWDs and the beautiful C70 Coupe and Convertible, to the new and technologically advanced S80 sedan. Volvo is boldly following a corporate commitment to developing a more varied product line featuring increased choices for a wider range of customers, so look for additional exciting Volvo models.



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THE ACCLAIMED VOLVO S70 SEDAN IS NOW AVAILABLE WITH VOLVO'S INGENUOUS ALL-WHEEL DRIVE SYSTEM. ADD TO THAT ITS CRISP HANDLING AND RESPONSIVE 20-VALVE ENGINE. AND YOU WON'T JUST ADHERE TO THE ROAD, YOU JUST MIGHT BE GLUED TO YOUR SEAT. SEE YOUR VOLVO RETAILER FOR A TEST DRIVE TODAY. **DRIVE SAFELY.**

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Column



# Barbara Amiel

## Punishing Pinochet would imperil justice

**T**he atmosphere has been sombre in the London committee room where the law lords have been hearing the appeal against the dismissal of the extradition order against Gen. Augusto Pinochet. A decision is expected this week. Rarely is a chief justice overturned, but this may be an exception. In law, Britain has no jurisdiction over prosecution against foreigners and committed while Pinochet was a head of state.

But other ghosts hover over this bonapart. I have no illusions about the Pinochet years. But I knew in Chile during his regime, I would have been arrested—and probably worse—for simply writing an unfettered political discussion. But this case is not about the evils of his regime. It supports the dismissal of contradictory claims and criminal charges for the same reason: one has to fight attempts to create so-called world criminal courts—in order to preserve justice. It's one of those painful paradoxes that sometimes in the face of you reverse the rule of law, you may have to swallow very hard.

I made that point as another Canadian mission and found that letters ran about 12 to 1 against me. Most typical was a letter from Warren Allmand, formerly our solicitor general. His letter ended with the comment that "allowing leaders to get away with murder is a short-sighted and ultimately unsuccessful way to establish peace and justice around the world." Of course letting people get away with murder will not bring peace and justice to the world, but apparently Allmand, in his present role of president, International Centre for Human Rights and Democratic Development in Montreal, has not yet come to the realization that a unipolar pursuit of peace and justice has proven to be the surest route to strife and bloodshed.

The problem with Allmand and those who share his point of view is that when it comes to legal theory, they are essentially lawless people. The only rule they see for our system of justice is to further their own particular sociopolitical agenda. Some of their so-called legal agenda is easy to agree with. I hold no brief for fascist dictators, but more important is preserving the system of justice itself, which takes priority over who a state is the way of any own political agenda. I could not support Allmand's arguments for an international criminal court even if it prosecuted Fidel Castro, the butchers of the Soviet Union, China, the African National Congress or the ruthless assassins of Allmand's regime who attempted to smother the Chilean constitution. I would go to the barricades volitionally to protect these odd people from the same actions now being taken against Pinochet. Unfettered regimes of the left and right have one overriding aim—to destroy the rule of law. A fair legal system is tyranny's great enemy. If, in war time,

we set of war criminals or political criminals, we disarm and destroy our rules of evidence for what are dismissed as just "technicalities," we hand these murderous tyrants a victory.

A harsh rule, for example, may encompass a gross individual and even one who richly deserves punishing. But the procedure is fairly and may be used against the innocent. That is why I have fought Canadian prosecutions of alleged Nazi war criminals, which, so far, have changed basic procedural and evidentiary rules as well as starting jurisdictional problems. As well, such trials attempt to deal with sociopolitical crimes in a totally antithetical context. How can you use the same yardstick and enforcement procedures against crimes committed during times of war and almost universal complicity so you are on a bumpy or smooth last year in Winnipeg?

I am not against the prosecution of war criminals, if we could bring them to trial lawfully. But this means not creating retroactive legislation to catch them or assuming jurisdiction where we have none. It would also create a court that had no political agenda at all but the prosecution of evil and of the left, evil of the right. I won't hold my breath for Mr. Allmand to serve papers on Messrs. Castro, Gorbachev, Mandela and de Klerk.

Nor would I have supported the Nuremberg trials. In this, I would have posed such distinguished dissidents as writer Ignazio Silone. Having Stalin's Soviet Union sit in judgment on Hitler's Third Reich is a farce. Mr. Allmand's offering in judgment on Jack the Ripper. More significantly, the Nuremberg defendants were charged with brand new or post facto crimes—namely crimes against humanity—crimes that we created after the Second World War. My own view is, as Winston Churchill pointed out, that they should have had a trial.

"beaten down and shot" without any pretence of due process. The prosecution of justice is more important than such verbiage.

So far, any attempt to create an international criminal court has been a cover for some political agenda. Such concepts react all too well to the old saw that one man's war of liberation is another's terrorism. It may be that leaders under whose regimes crimes have been committed can one day be brought to trial in their own jurisdictions. First, that I have great respect for the Russians and South Africans, both of whom were so decided that rebuilding their countries is preferable to sitting up and cowering by such trials.

It is Chile that has the legitimate interest in any action against Pinochet, not a handful of victims led by Allmand's daughter attempting a judicial lynching in London. It is true that Pinochet requested power only after posing laws to protect himself from prosecution in his own country. This was a good prelude for the Socialist transition Chile is now making to a democracy, and the Chileans by and large accepted this. It is not our role, Mr. Allmand, as supporters of "peace and justice" to upset their balancing act.

**If we distort and destroy our rules of evidence for 'technicalities,' we hand these murderous tyrants a victory**

# Opening NOTES

Edited by TIANA DAVIES

## Stalked on the Rock

Few politicians anywhere are as popular as Newfoundland Premier Brian Tobin is in St. John's. But everyone has enemies—and Tobin's do not all sit among the opposition benches in the House of Assembly. On Oct. 3, strange painted symbols appeared on the telephone poles in front of the St. John's home where Tobin lives with his wife, Jodana, and two sons. These cross leathers were fixed to the same poles. The most disturbing incident occurred on Oct. 23, when three poles had the words "Tobin KILL" written in white paint. Two of them also had painted daggers. That was too much for the politician, who was celebrating his 44th birthday.

The Royal Newfoundland Constabulary were alerted and hours later arrested Lancelot James Ray, 45, who

says he is unemployed and the government should be paying for his heart medication. He was charged with harassing property and allegedly reaching a dwelling. After undergoing psychiatric assessment, his court appearance was set for Nov. 29. In the interim, Ray has been ordered to remain 200 metres away from Tobin, his house and family and the House of Assembly.

Tobin will not comment publicly about the incidents. But, after years of eschewing security guards, he is known to be wondering whether he needs to rethink the arrangement—meaning the risk with the constant trash may have to become a little more out of reach.

Tobin: reconsidering the view that security guards aren't necessary



## CAPITAL CONFIDENTIAL

Directors of the Freshwater Fish Marketing Corp., a small Winnipeg-based federal agency, were upset when former Liberal MP Ron Fenechuk was appointed as the board's \$100,000-a-year president a year ago. What, they wondered, did the 37-year-old son of a 13,000 1997 MP have about the board, which helps freshwater fishermen get their catch to market. His only apparent qualification: he once owned a commercial hot operation. And what had Fenechuk been doing at the time he was left jobless? "Yard work and some consulting," was his reply.

Fenechuk's critics suspected Manitoba's federal patronage boss, Foreign Affairs Minister Lloyd Axworthy, of getting him the job in a reward for not challenging other Liberals for nominations in the 1997 election after his own St. John's/River ending was



Axworthy: giving out patronage is Manitoba

upset out by redskins. The board was so concerned that it took an extraordinary step: It required its predecessor, Tom Dunn, to continue running the agency. The result was two bosses, two executive salaries and a year of armchair damage. According to Fenechuk, he was even denied access to his office.

To resolve the snafu, Fisheries Minister David Anderson brought in Bruce Rowson, a longtime federal civil servant, and gave an Ottawa consultant. Rowson recommended wholesale changes in the board's management. And last week, the deadlock broke when Fenechuk resigned, citing health reasons. He left with a severance package. With a new president to be named soon, Dunn's future is uncertain. The profile of patronage

## EMPORIUM

The five lowest temperatures recorded in Canada (in Celsius), according to Environment Canada

1. Sag, Yukon, Feb. 3, 1947 -63
2. Fort Vermilion, Alta., Jan. 11, 1953 -61.1
3. Smith River, B.C., Jan. 31, 1947 -58.9
4. Inopas Falls, Ont., Jan. 29, 1946 -58.3
5. Shephard Bay, N.W.T., Feb. 13, 1973 -57.8

The five highest temperatures

1. Midici, Sask., July 5, 1937 45
2. St. Albert, Alta., July 11, 1996, and Lacombe, B.C., July 16, 1941 44.4
3. Bassano Dam, Alta., July 21, 1991 43.3
4. Brantford, Ont., July 20, 1919 42.2

## GOLDFARB POLL

When 1,400 Canadians were asked how long they thought they could keep paying their bills if they lost their income, the majority thought it would be less than one year. And the younger the respondent, the quicker the money would run out. The average number of months they could keep paying:

	Under 25	25-34	35-44	45-54	55-64	65+
Number of months	4.2	4.4	5.2	6.2	13.3	14.6

DATA COLLECTED FEBRUARY 1998

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# Unlike the other great 'Whisky Barons', he never acquired a big butt.



J.P. Wiser refused to age his whisky in 110 gallon 'butts'. "A barrel of that enormity," he said, "absorbs absolutely nothing to its contents." Thus, all the whisky J.P. produced would acquire its unique smoky flavour and uncommonly mellow body in small 55 gallon casks. The way J.P. saw it, the closer the wood

was to the whisky, the closer the whisky would be to perfection. These days very little has changed. In fact, every last drop of whisky bearing the Wiser's De Luxe name still spends a minimum of 10 long years ripening in charred oak casks, just as J.P. specified. When it came to making the very best whisky, he was Wiser.



## HE WAS WISER.

## DOUBLE TAKE

### Rita Johnston

In 1991, Rita Johnston made Canadian history when she became the premier of British Columbia—the first woman to lead a provincial government. Unfortunately for her, she was pre-empted by an unpopular leader, fellow Social Credit politician Bill Vander Zalm, who had inflicted public and internal party wounds that were not forgotten. Six months after her victory, Johnston suffered a crushing defeat at the hands of the New Democratic Party, losing her own seat (Surrey-Newton), and watching the virtual destruction of a party that had dominated the province for decades.



Johnston in 1991 (left) and then 'Premier Mom' found politics 'hard to resist'



But, seven years later, the 63-year-old fondly remembers her 22 years in municipal and provincial politics. Although the media dismissed her as "Premier Mom" while she was running British Columbia, she says she remains proud to have made "a little bit of history."

Brian McVie: Sask., Rita Leichert grew up in Vancouver and was only 16 when she married George Johnston, a bricklayer. A high-school dropout, she was employed as a stenographer at a business company before working her way up to manager. In the late 1960s, she became interested in politics in the Vancouver suburb of Surrey, where the couple and their three children lived, attending local council meetings and raising no-

successfully far more before moving into the provincial arena.

Three years ago, Johnston and her husband, now retired, married Vernon, B.C. Johnston—who has six grandchildren—has become addicted to golf, playing all summer and confining in the winter when the two head to their mobile home near Palm Springs, Calif. "Playing golf is a lot better than shovelling snow," she jokes.

And while Johnston says she misses being part of political decision-making, she insists she has no desire to re-enter the political fray. "It's a bug that bites and is hard to resist," she says. "But now I like my tepee and sit back and watch."

## BEST-SELLERS

### FICTION

1. *The Love of a Good Woman*, Peter Abbot (1)
2. *A Stranger for My Father*, Carl Andriano (Deputy 1)
3. *The English Doctor*, Anne Rice (2)
4. *Amsterdam*, Ann McLean (3)
5. *The White House*, Jonathan Grady (4)
6. *My Sister Sam*, Stephen King (5)
7. *Red Hat*, J.L. (6)
8. *Jack Fawcett* (7)
9. *House This Week Is Yours*, Mike Lord (8)
10. *The Roadside Days*, Patrick O'Brien (9)
11. *Katherine*, Lisa (10)
12. *Tom Clancy* (11)

### NONFICTION

1. *News*, Peter C. Newman
2. *The Letters*, Neil McQueen (2)
3. *East and West*, Chris Patten (4)
4. *Wax*, Peter Newman
5. *Behind the Embassy Door*, James J. Macdonald
6. *Presented Today*, William Kaplan (5)
7. *Angels' Rules*, Frank McCourt (3)
8. *Witnesses*, Edited by Andrew Cohen and J.L. Greenwood (6)
9. *India Report*, Elizabeth Phipps (7)
10. *An Empire Wilderness*, Brian Kaplan (8)
11. *1.7 Percent*, David Smith
12. *Copyright*, Brian Kaplan

## A lovers' pact

Winner of the 1996 Booker Prize for literature, *Amsterdam* (Joseph Canada), by British author Ian McEwan, is a social satire about love, crime and political intrigue when Holly Lawless dies, two of her former lovers meet to pay their respects, and end up making a pact that will have dire consequences on their friendship and careers.



LUKE FISHER

# Passages

**INDUCTED:** Baskette Myrland Bedard, jockey **Sandy Hawley**, rowing **Selma Laumann** and hockey great **Murray Leacock** into the Canadian Sports Hall of Fame, in Toronto. Bedard, 28, a relative unknown



Myrland Bedard

reading into the 1994 Lillehammer Olympic Games, won two gold medals. Hawley, 49, as a legend in horse racing, winning 6,449 races and earning \$88.6 million in prize money. Laumann, 53, won a bronze medal at the 1992 Barcelona Olympic Games, 10 weeks after suffering a stroke. Iggy Pop, 33, led the Pretenders. François two Stanley Cups, and earned three Hart Trophies as the National Hockey League's most valuable player.

**DIED:** Legendary radio broadcaster, **Hal Davis**, 74, of pancreatic cancer in Vancouver. Davis, who started his career in 1941, helped create British Columbia's first news network, B.C. Radio News.

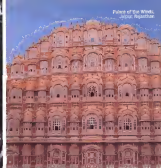
**DIED:** Creator of the comicbook character **Batman**, **Bob Kane**, 83, in Los Angeles. The New York City native invented the caped crusader for DC Comics in 1939.

**DIED:** Controversial Russian figure skating coach, **Sergei Zhuk**, 63, in Moscow. He was best known for coaching pairs, including the 1988 Olympic champions **Sergei Gornov** and **Ekaterina Gornova**, who later complained of his abusive behavior.

**DIED:** Former star and director of the Bolshoi Ballet, **Aleksandr Bogdanov**, 49, of a heart attack in Moscow.

**CLEARED:** Veteran CBC-TV reporter **Tony Minoski** of biased reporting on the crash on Ontario police and student protesters at the APCC parade, by an internal CBC investigation in Toronto. Officials at the Press Relations Office requested that the CBC look into Minoski's reporting, saying he appeared sympathetic to student protesters in a news. The CBC ombudsman is still considering the 1993's request.

**WON:** The Borden's Cup Classic at Champlain Downs in Montreal by **Alexandre Agave**, owned by auto-parts magnate **Frank Stosach** of Newmarket, Ont.



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# FUTURE SHOCK

## Are Quebecers ready for the Liberal platform?

BY BIENIDA BRANSWELL

When Quebec Liberal Leader Jean Charest recently announced his party's economic platform, Quebec pundits cheered at the prospect of an ideological debate during the election campaign. By suggesting turning the page on the Quiet Revolution, Charest boldly waded into delicate territory. A walled era of reform that modernized the province in the 1960s, the Quiet Revolution suffered in a large role for the state that has helped define Quebec society. For Charest's Liberals, that costly omnipresence has largely served its purpose. They now argue that Quebec needs less government and instead asks voters to kick start the province's lagging economy. Although paradoxical (he called it a risky proposition), they also hailed the fact that Quebecers will face difficult choices on Nov. 30. "If we look at the platforms themselves, the differences are very significant," says Alan Gagnon, the head of McGill University's Quebec studies program.

The Parti Québécois points itself as the defender of the Quiet Revolution and its heritage. It positions itself as a conservative, conservative government forced to make difficult cost-cutting decisions—but committed to its social democratic roots. And whether Quebecers will buy into the Liberal platform, with its more business-like economic approach, is one of the big questions marks hovering over the campaign. Do voters ultimately get annoyed by other factors, such as sovereignty? So far, Quebecers clearly are not sold on the Liberals following a lackluster campaign drive; the party remains stuck in neutral, according to two polls published at week's end. Lévesque & Lévesque shows the Liberals trailing ahead of the PQ by a margin of 17.9 per cent to 46.9 per cent. CBC's shows the lead in reverse, giving the Liberals 45 per cent support compared to the PQ's 49



Charest (left), Annette, skeptical about promises

per cent. But the polls give Premier Lesieur Bochar's PQ an 18- to 25-point lead among francophone voters, a situation that spells trouble for Liberal fanatics because francophones form a large majority in all but about 15 of Quebec's 125 ridings. "There aren't a lot of viable alternatives for the Liberals," acknowledges Claude Guindon, vice-president of CBCQ's 12, noting that the party should be pulling in more support from women and younger voters (party sources acknowledge that they are targeting 25- to 35-year-olds). "There is something in their message and strategy that isn't working," he says.

The Liberals have selected their economic message since the PQ launched a volley of attacks painting the platform as a radical right-wing, trade-in-Ontario province. In fact, even though the Liberals acknowledge that their economic policies need exploring, Charest has spent much of the early campaign talking about other issues, such as the need to shore up the province's ailing health care system. (In fact, he was underfired last week by Bochar's promise to inject fresh funds into health care.) If elected, the Liberals promise to shrink the size of government, possibly through early retirement. They also plan to cut corporate and personal income taxes, ease the province's labor laws and encourage business partnerships for infrastructure projects.

But one of the problems in selling the plan, according to some observers, is that Quebecers don't view the state as a problem. In fact, many seem to want greater state intervention as the necessary price to protect themselves as a minority in North America. "The state is still seen like the savior of the people," contends Richard Martinson, 37, the editor of *Nova*, an alternative Montreal weekly tailored with young readership. "Quebecers are very much attached to the idea of having a big government."

The Parti Québécois subscribes to that notion. Publicly, some PQers express delight with the Liberal proposals. "We don't believe people will buy it," says Claude LaCasse, the PQ MNA for the eastern riding of Belchertown, south of Quebec City. "We believe that Quebec is different and what the Liberals propose doesn't fit with the

concerns of that generation," says Christine St-Onge, a Montreal Liberal MNA. "There's another mind-set there."

For the Liberals that means wooing voters like Stephen Annette. The self-proclaimed 30-year-old francophone Ontario state resident has too much in areas where it doesn't belong. As for the Quiet Revolution, Annette says, "I was only a child. I don't really have an idea of what it was like before." A self-proclaimed anarchist who was kicked out of his Montreal duplex, Annette voted in 1994 for the Action Libérale Québec, the party founded by the former head of the Liberals' youth wing, Michel Duceppe, and for the PQ in 1998. But this time out, he hasn't made up his mind. Angry over the PQ's health and social services cutbacks, Annette is also put off by the prospect of another referendum. He finds the Liberals' promise to ease an income insurance plan for self-employed workers "irrevocable," but he's skeptical about their ability to deliver on promises such as a cut in "EI wait list." Liberal, says Annette, "it will be mostly not to be a referendum."

For many voters, however, growing older doesn't mean switching allegiances. "It's true that the younger you are, the more you think about sovereignty," says Stéphane Dodeur, 31, the owner of a Montreal computer consulting firm, which employs about 30 people. "That disappears a bit as you get older because you think a little bit more about stability." Still, Dodeur says he'll probably vote PQ again largely because he believes the province can better defend its workers' interests in Ottawa. Last week, Bochar had back into that arena by suggesting the PQ would seek a constitutional amendment allowing provinces to opt out of federally funded social programs with compensation. Bochar insisted that such a move, in the unlikely event that it happened, would only be an "interim measure" before sovereignty voters like Dodeur had other reasons for voting PQ. Citing the Bochar government's record on cutting the deficit, Dodeur says, "I think they are doing a very good job."

That is a prevailing sentiment among many young Quebec voters. Recent

opinion polls show a high level of confidence with the Bouchard government. The CSMP poll taken in late 1992, Oct. 30 and Nov. 4, given the PQ the lead among men and voters under 50, the Liberals have a two-point lead among women and the 50-55 age group. Bouchard also leads Charbonneau in personal popularity among young voters. For some Quebecers, the Liberal leader remains an unknown quantity, according to Gauthier. "There are a lot of people who will say that they can't offer an opinion on Mr. Charneau," he says.

Three Liberal supporters at a trendy Montreal bar on St-Laurent Boulevard did not share that reflection one evening last week. The francophone men in their 30s expressed concern about Charest's campaign promises. He needs to show more emotion, be more aggressive in his speeches and get closer to Quebec voters, they said. One was illustrated with a picture of a person and a sign that says "I am Charest because I have a black backpack," says Claude, 37, a Montreal businessman who didn't want his last name published.

The fight for Quebec's sovereignty is about 30 minutes' drive from the location between Montreal and Quebec City in 1994, confirmed a vote that 58% of the province's voters by less than 1,500-vote margin. (The PQ took 58 compared with 42 for the Liberals.) Out of them in Vermont, an official result in Canada that PQ leader Jean Charest said that Charest took by a mere 158 votes in the last election. One was conventional order placed with Charest campaign posters last week, several residents noted. Charest was a top priority, while a few appeared skeptical about the Liberals' promise of tax cuts. "That's good—but will they really do it?" said 60-year-old Laurent Tremblay. "Money doesn't bill from the heavens."

In every Quebec election, party strategists concentrate their efforts in about 30 crucial swing ridings along both shores of the St. Lawrence from the suburbs of Montreal to Quebec City. Largely francophone, affluent and generally more concerned about economic and health care issues than constitutional matters, these voters easily switch party allegiances. Two dozen of the ridings were won by fewer than 1,500 votes in 1994, 18 by the Parti Québécois (in blue) and six by the Liberals (in red). The 1994 winners of victory



**Beuchert: painting the PQ as the defender of the Quiet Revolution**

In fact, one critic does not seem to be all at the top of Quebecers' wish list. A recent poll published in *The Gazette* listed health care and then the economy as voters' primary concerns, while only 13.1 per cent preferred tax cuts as priority. Christian Bourque, a senior research director at the Angus Reid Group Inc. in Montreal, suggests a parallel with the rest of Canada, where tax cuts were not a pressing concern before the federal government reached a budget surplus. "In Quebec, we still have a deficit," says Bourque. "There is a possibility that people are not yet on the same page as Mr. Charvet."

The PQ isn't taking any chances. The party announced its own \$3.2 billion in tax cuts at the start of the campaign—two weeks after Finance Minister Bernard Landry scolded Charest for being irresponsible with his tax cut promises. The PQ also moved last week to blunt the edges of voter discontent on health care and perhaps moral decay at the Liberal's chunder. With policy showing health care as affordable (not for the PQ following voters) but allowing the party announced it will restrict \$1.1 billion into the system of who another bundle. "These are the choices we have to make," Charest declared. "It's very much a 'we lost' campaign, whether it's on health care or tax cuts. There's going to have a real credibility problem in terms of the choices they're presenting to Quebecers."

So far, the predicted clash over the different economic visions had yet to flare up in the surprisingly hot-blooded early days of the election campaign. But that may well happen during the televised leaders' debate scheduled for Nov. 17. Unless, of course, Quebec's other ideological clash—over sovereignty—emerges to dominate the exchanges. □

2	Angus	754	60
3	Beauve Nord	61	41
4	Beauve Sud	164	48
5	Bertrand	146	48
6	Bourget	982	60
7	Chamblé	437	60
8	Clémont	429	60
9	Falco	1,329	60
10	Fervid	1,454	60
11	Jean Talon	1,244	60
12	Johann	1,244	60
13	Kamoukou/Timbouctou	895	48
14	Lafontaine	263	60
15	Mile-les	1,371	60
16	Moumoupy/Tain	855	48
17	Nouet/Yanaka	947	48
18	St Honor/St Anne	601	60
19	St Hucine	1,050	60
20	St-Jean	532	60
21	Saboury/Soudou	1,050	60
22	Saboury	1,321	48
23	Shakoua	3,991	60
24	Toua-Frédéric	609	60
25	Winnit	1,289	60

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 Holiday Inn, Toronto-West  
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[illegible]



# OPERATION SALVAGE



Moving to stem the tide of attack, Glen Clark's government fights back



CANADA  
SPECIAL REPORT BRITISH COLUMBIA

BY CHRIS WOOD

**A**round the perches of being premier of British Columbia is a second office: one of Vancouver's most coveted addresses. On the seventh floor of gleaming Canada Place, the large room's floor-to-ceiling windows offer a panoramic view out over the harbor past the landmark Five Sails cruise pier. Filings include a mahogany desk and a controversial grouping of well-placed red chairs. Settling into a deep leather velvet sofa, Mor Shohat looks very much at home. He has been sitting in the office, in any number of cases who until recently was his party's best-known jurist. Twice barred from the provincial cabinet for ethical lapses, the 46-year-old lawyer returned on Oct. 20 at the invitation of New Democrat Premier Glen Clark. His mission: to ensure his boss gets by here the next day. And despite his party's record-low standing in opinion polls, Shohat thinks he can do it. "There is every likelihood," he says, "that we can win the next election."

A grander goal is to be copied in his Shohat is moving. At around 28-percent support in most recent polls—and as low as 11 per cent in one—British Columbia's New Democrats and their occasionally

shrewd leader are in deep, deep trouble. As government managers, the party has tried to slash spending, but has consequently failed to balance the provincial budget. After seven years of NDP rule, the B.C. economy is expected to shrink this year—while the rest of North America continues to grow (page 34). And few residents here state to blame the first recession on the West Coast in more than a decade squarely on the party. In a poll last spring, more than half of B.C. households surveyed said that NDP policies were hurting the economy. "Every body understands that this government is going directly in the wrong direction," insists Rivka Falcon, a real estate broker who is so mad at Clark's regime he has organized a protest rally against it. Modelled on a similar event in Prince George in September, the rally aims to fill a 3,000-seat arena in Surrey, a Vancouver suburb, on Nov. 26. "Our motto," says Falcon, who has studied most of his investments in Alberta since the NDP came to power, is: "Have you had enough yet?"

Signs of a long-population contrast the NDP on a growing number of fronts. British spokesmen are famously critical. Vancouver Mayor Phil Owen has ordered city bureaucrats to find ways to slow down the province's drive to complete a \$1.5-billion transit expansion by 2001—concomitantly the date of Clark's term—to allow for

the rising of cost-effectiveness and environmental concerns with the plan. Some teachers have felt reluctant to show a 15-minute video distributed to schools by the government, lauding the historic treaty with the Nisga'a, one of more than 50 native groups that have had claims to 100 per cent of B.C. territory (page 27). "This one-sided piece of tape," objects Robert Collier, principal of Roberley Secondary School in Vanouver. "Kids are not dumb. They know it's just propaganda."

Then there are the NDP's uneasy relations with its own public-sector employees. In October, 25,000 B.C. nurses held a one-day work-to-rule campaign, calling it only when they saw patient care had begun to suffer because of poor performance by managers who had replaced them in some roles. The nurses ended their job action on Nov. 5—but they remained adamant in their assertion that B.C. hospitals are understaffed. Other revolts among school support workers, community college instructors and provincial Crown prosecutors, who voice much the same complaint: funding cuts have made their work increasingly difficult.

Yet despite slippage in spending that has provoked some newswatchers much of the public service, the province's books remain in a deficit. A week after Finance Minister Jay MacPhail announced in September that the B.C. deficit this year is closer to

\$770 million than his target of \$65 million, the Canadian Budgetary Service issued a negative outlook for B.C. debt, anticipating a credit downgrade. "There is a government," says University of Victoria political scientist Norman Roth, "no when the tide has gone out."

But the tides of political fortune can also come back in. And the Clark government has both time, and a hapless opposition, in its life. It is barely at the midpoint of a five-year mandate. Liberal Leader Gordon Campbell has yet to inspire much confidence, even from the NDP's most blistering critics. Against all apparent odds, Shohat is sanguine. "Now is not time for radical change," he insists. "Now is time to carry on in the policy that we have, a plan, that the plan is working."

One high-visibility component of that plan is the contentious treaty with the Nisga'a. Clark has cautioned his personal prestige in ratifying the historic agreement, the first to be concluded in the province for more than a century. But he has refused opposition calls to put it to a referendum. "I am confident we would win a referendum on this question," Clark insists. "But as long as I am premier, we will not have a referendum." The courts, Clark notes, have ruled that aboriginal peoples like the Nisga'a have unextinguished property rights in much of the province, claims which must be further defined either by treaty or future court rulings. And, Clark says, "It is

demerits and empower to subject minority rights to the will of the majority." Instead, the B.C. legislature will pass judgement on the treaty as a free vote that has yet to be scheduled.

The issue is a rare one where Clark can claim at least potential support from a majority of British Columbians. Polls have consistently shown that most residents want to see the land claims issue resolved. One survey by Vancouver's MarkTread Research Inc. earlier this fall found that among those who had made up their minds on the subject, support for the treaty outweighed opposition to it by 55 per cent to 44 per cent.

But missteps by both the NDP and the Newqs may be ending that positive response. Last week, reports emerged that the Newqs had misallocated \$1 million that Ottawa had provided to the band to welfare funds to administer in advance of the treaty vote were held. At the same time, the same MarkTread organization reported that 72 per cent of people it surveyed have lost the government's public information campaign about the treaty is being "tilted in favor of the treaty." It is, it seems to be,

backfire among people who have watched the government's side, those told the publisher that the campaign had skilfully turned their views against the treaty than said it had influenced them to support it.

On the other hand, Campbell's opposition to a settlement—widely read as an attempt to appeal to right-of-centre rural supporters of the small B.C. Reform party—was also showing signs of stabilizing. Campbell's critics argue that his hostility to the treaty risks dividing a fragile divide between natives and non-natives over land claims negotiations. Speaking at a gathering of Federal Liberals last month, premier Angus Reid—also a noted supporter of the deal—called Campbell's stance the greatest act of "political stupidity" he had ever seen.

It is not the only issue on which Campbell has stumbled, despite his party's commanding two-thirds lead over the NDP in opinion polls. Uncertainty about what the opposition leader stands for was exacerbated when Campbell recently appeared to court support from trade union and labor leader John Huf (contrary to party policy and raising questions from his own Liberal caucus) and flirted briefly with the notion of forging a coalition with disgraced former premier Bill Vander Zalm (now president of B.C. Reform). Both Vander Zalm and former Liberal leader Gordon Wilson, meanwhile, claim followers capable of embracing the right-of-centre view that Campbell must, by conventional wisdom, unite. If that party is to win a future election, that having some unexpected change in the balance of power is



Newq's doctors at August treaty signing: Clark has committed his government to carrying the historic agreement

## The NDP is trying to secure a truce with the business community

the 75-seat B.C. legislature—where the NDP has a slim three-seat majority (one seat is vacant)—the timing of that election is in Clark's hands. And the Newqs treaty is unlikely to change it. "It will be a major change between my party and the opposition parties," Clark told Newq's editorial board during a recent meeting. "But I don't think the election will be fought on this issue."

Instead, the battle will likely centre on the issue on a supposedly sacrosanct as a well-publicized sign at U.S. presidential candidate Bill Clinton's campaign headquarters in 1992: "It's the economy, stupid." Clark knows it, and has been trying for most of this year to secure a truce with the business community. In January, the B.C. premier met privately with a delegation of top industrialists. Some saw it as a trip to the woodshed for Clark, whose résumé as a union organizer includes no experience in private business. Within weeks, Clark yanked senior bureaucrat Robert Picco—whose own background as a senior deputy minister under Soviet governments earned respect in business circles—out of the ministry for children and families and into the premier's office. Picco's mandate: to open lines of communication with industry. Clark has since tried to Hollywood and China since then to open doors for B.C. business (after the Hollywood trip, he also converted a tax break for Vancouver's growing film and television industry). Last week, he spent two days listening to the views of small-business people from the Kootenays at the latest in a series of what his staff bill as regional "economic summits."

But Clark's courting of business has run short of his own charm. While he can be charming and appears well-informed on private conservation, governance issues (even as Clark has a fierce temper and can be vicious when angry), his public persona, meanwhile, has often overshadowed the substance of his stand on issues—on when discussions with Ottawa over how to save the province's struggling salmon were delayed when Clark accused federal Fisheries Minister David Anderson (NDP for Victoria) of "venom."

Clark's failure to find a rapprochement with business became apparent with his decision to recall Shio. The Esquimalt Meridian



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ACQUA DI GIORGIO

GIORGIO ARMANI

MLA has twice been forced from column—once after being ousted by the B.C. Law Society for professional misconduct and a second time for leaving heavily on a provincial two license board on behalf of friend (and federal senior minister) Clark. Underwood still, Shota is unquestionably one of the brightest and most effective members of the governing caucus, as well as popular among party insiders—qualities that ensure that when he is cast from a political competitor to Clark, Shota's mission this time, though it clearly is to save Clark's government by convincing business that its antipathy is unfounded. Says political scientist Staff "MacFarlane is a no-nonsense academic. The financial and economic three too taken in the last post or so."

According to Shota, it is less a matter of a turn than of focusing public attention on sections of the economy where the NDP plan is working. It is true that the province's tourism, entertainment and hi-tech industries are bucking the recession that has overtaken as a resource sector lives on. Their combined contribution to the B.C. economy is less than that of the wounded forest industry. But So-

lars, who bears the somewhat more title of Minister Responsible for the Public Service, says the government is also ready to back away from some of its former stunts—in closing parts of the Forest Code and a variety backed by its business capital. "We have to revisit some of what we've done," he acknowledges.

But in attempting to mend fences with business, the B.C. New Democrats confront one hurdle not even Shota will easily overcome: a widely held perception that Clark's government is too cozy by half with big labor. "This government's attitude toward labor's agenda, period," charges Campbell. "Glen Clark thinks his job is to be the largest union organizer in the province. That's his background. That's what he knows." Many in business clearly agree. "The NDP under this premier," says Sarantinos, "director of provincial affairs for the B.C. chapter of the Canadian Federation of Independent Business. "As much as we've accused an organized labor, as opposed to other groups of supporters, than it was." She adds, "It's those two that have contributed to the problems we're in."

Clark, who once worked for the Ironworkers Union, is not the only government figure for whom ties to labor are personal. Finance Minister MacPhail, for one, is a former economist for the B.C. Federation of Labor—and for a while was linked romantically to left-center president Ken George (a spokesman for the union says the relationship ended "some time ago"). But policies more than personalities, give force to the charge of a pro-labor bias in the B.C. government. Earlier this year, the NDP passed amendments to the Labour Code which imposed industry-wide collective bargaining of master agreements in commercial, industrial and service industries. The same industry again last month, when a failed accord between the provincial health authority and one of its unions forecast a reduced role for private-sector labs in the province, with their work to be taken over by unionized public employees. With its hours, one private lab whose shares are listed on the Toronto

Stock Exchange saw \$130 million stripped from its stock value.

Another business complaint is directed at the provincial Labour Relations Board, responsible for adjudicating contract disputes between employers and unionized employees. Businesspeople say NDP-appointed chairman Keith Gledhill, a former adviser to the United Steelworkers of America, has tilted the board sharply against employers. "We have had it," says Jerry Lampert, president of the B.C. Business Council, which represents large employers in the province. "We have asked the government to find a new chair." For the government's part, MacPhail insists "the Labour Board is operating in a fair and balanced way, the way it is supposed to."

Not every observer agrees that the NDP has in fact favored labor. "I think they have actually been over inclusive to not give labor everything they wanted," asserts labor historian Mark Levy of the Fraser University in Burnaby. "The changes to the Labour Code the NDP made were not labor's wish list, by any means." The risk of disputes with provincial employee unions certainly shows that not every labor organization is in lock step with the government's agenda.

Neither, seemingly for the NDP, nor for certain parts, is another critical leg of the party's core support. Environmental activists were central to the coalition of interests that brought the NDP to power in 1991. But Clark, in a well-known diatribe over environmental attacks on the province's forest industry two years ago, disparaged them as "barons of British Columbia." His NDP government has since underwritten a five-point environmental agenda, with recent activists recently for its sake to mount the last-tracked extension of Vancouver's Skytrain route to Coquitlam, from its own environmental record loss.

Shota and Clark have up to 30 months to turn around negative perceptions among both the party faithful and its traditional adversaries

in business—to say nothing of a skeptical public—before calling an election, sometime before May 2004. There may be better economic news ahead. The latest B.C. predicts a modest rebound in the province next year, though it adds that British Columbia will still lag behind the rest of the country. And some pro-labor spokesmen probably acknowledge that the NDP may be legitimate to listen. "The degree of transition is very high," says the business council's Lampert. But lately, he allows, MacPhail "has been saying some right things. Whether she can get them through cabinet, I don't know. But at least she's trying."

Brown's enough, says political scientist Alan Arbuckle of the University of British Columbia, but to write off the Clark government just yet. "I don't think," says Arbuckle. "That it's a clear deal the way a lot of people like to say it." It's clear not. In his new role as point man for the party's reconciliation attempt with business, Shota tries to make it sound easy. "It's a matter of picking up your socks, talking to the public, taking criticism to heart and being candid about areas where you have to make changes." He says, sticking his narrow frame out on the blue velvet side of his chair's side. But it will take more than candor and dialogue to get the B.C. economy moving again. And without that, the NDP's chances of staging a political recovery are a poor bet indeed. □



Clark (left), Campbell, the Liberal leader has yet to inspire much confidence



Clark (left), Campbell, the Liberal leader has yet to inspire much confidence

CANADA

SPECIAL REPORT

# TIED UP IN RED TAPE

## Mired in recession, B.C. firms are blaming the NDP government

BY JENNIFER HUNTER

Few of his clients in the Vancouver business community would describe Jim Shepard as a trouble-making instigator for political change. The courteous and amiable chief executive officer and chairman of Flanagan International Inc., a heavy-equipment supplier, is regarded as a nonpartisan adviser of government, careful with his criticism no matter which party is in power. But lately Shepard's frustrations about the way the New Democrats are handling the B.C. economy have intensified. The business climate in the province, says the Vancouver-based executive, is no longer derailed by government regulations and the NDP's failure to take quick action that led-up investors are looking elsewhere. So great are Shepard's concerns that he became one of the dozens of firms behind a business summit that convened in Vancouver last weekend. The summit, a first for the province, brought together 200 business people from large, medium and small enterprises. "We need to deliver a good, loud message to the government," Shepard says. "We're in crisis; arrest and we need quick change."

Over and over again, the worst blame is heaped on British Columbia as an unfriendly place to do business. Statistics seem to bear that out.



Shepard, left, says mill on Gold River on Vancouver Island (left) 12 mills have belted their doors this year.

The province's economic growth is lagging well behind the Canadian average—2.2 per cent in 1997 versus 3.8 per cent for the rest of the country. In fact, British Columbia is now in a mild recession—a downturn that started before the Asian economic crisis and Japanese recession hit B.C. exports. The problems are acute: severe in the resource-dependent areas outside Vancouver and Victoria. 12 saw- or pulp mills have belted their doors this year, most of them for good. "The mills are going down faster than lumps," says economist Jack Palynson, vice-president of the Business Council of British Columbia.

Capital investment, which is expected to grow by a nominal two per cent this year, is less than a third of what it was in the late 1980s. Corporations are moving parts of their businesses to other provinces. (Shepard's company is shifting its Canadian operations to Edmonton) or focusing on expansion outside of British Columbia. Mining exploration and development have dwindled to a 30-year low of \$40 million this year, compared with

\$200 million a decade ago. British Columbia's debt, meanwhile, has more than doubled: from the NDP's time in office, from \$8.4 billion in 1994 to \$21.2 billion in 1997. And the New Democrats have yet to bring in a balanced budget.

Until September, the NDP blamed the province's woes on the Asian downturn, refusing to use the word recession. And Finance Minister Joe MacPhail insists his pre-labor government has not been dead to the business community's concerns. "There has been a change in our approach to business," she insists. "There has been a substantial outreach by our government, and I see it as my priority to say that B.C. is open for business." Since MacPhail, 48, donned the mantle of finance minister last spring, the government has taken some selective-edging cuts in oil and gas royalties, tax credits for the mining industry, small corporate and personal income tax cuts to take effect in January and setting up an advisory "red-tape" committee of business representatives on the province's regulatory environment. And, on the eve of the business summit, the government announced an immediate multi-phase loosening of environmental regulations designed to ease the way for new mines, power plants and other projects.

MacPhail has won qualified praise from some for her efforts. "She is pragmatic," says Palynson, who sits on the red-tape committee. "She has shown more interest in some of the issues that concern business." Sandra Stantman, another red-tape committee member and director of provincial claims for the B.C. chapter of the Canadian Federation of Independent Business, adds: "She has indicated more of a willingness to listen than some of her colleagues." But Palynson and Stantman say that more far-reaching steps need to be taken.

The finance minister notes that the economy is diversifying from its traditional reliance on logs, fish and rocks. Resource industries now account for only 17 per cent of the province's gross domestic output, compared with 33 per cent in the early 1970s. And Premier Glen Clark points to statistics indicating that more jobs are being created than, in fact, last year's employment increase was either in re-employed workers (a 26-per-cent increase) or in the public sector (a 1.6 per cent). Private-sector jobs actually declined 1.1 per cent. Tourism does continue to grow, buoyed by a weak Canadian dollar. There are, as well, the burgeoning high-tech and film industries. But even within these growth areas, endemic problems make it difficult to expand. "We've got our own challenges," says Mike Cayniak, a Proseware/Intercoopers partner who specializes in the high-tech industry.

Most of these challenges are related to government regulation—and taxes. The province has the highest marginal income tax rate in Canada, which scares off skilled labor. Also Tanaka, director of business development for Catalyst Inc., a three-year-old software firm, says his company is trying to lure venture capital as it can expand, but consultants are encouraging him to relocate to Seattle or Boston. "We need to attract highly qualified people and keep them and that's hard to do because of the high taxes," Tanaka says. Another problem, Cayniak says, is that the Employment Standards Act, which governs workplace practices such as overtime rules, is not flexible enough to account for the concentration of a high-tech workforce. "That act was de-



Fuller, the last few one of his Earls restaurants opened in British Columbia was four years ago

signed for people who work in traditional nine-to-five industries" he says. "In high tech, a lot of these people work odd hours."

Stories abound, meanwhile, about the difficulties of maneuvering through the labyrinth of government regulations. The Council of Forest Industries of British Columbia has determined that each forest company must file an average of 600,000 pages of regulatory plans and compliance over the course of one year to get the right to cut down trees on Crown land. Attention to the Employment Standards Act last year resulted in many allegedly worthless rules covering matters like statutory holidays that the government estimates to receive 56,000 calls a month from small businesses and employees, says Suzanne Monowick, Mary Mahon-Jones, executive vice-president of the Council of Tourism Associations of British Columbia, notes that 4,000 changes were made to Workers' Compensation Board regulations last April. Some of these changes were accepted yet open to debate. "It's nuts," Mahon-Jones says.

Some tourism-related company executives are so tired of the regulatory burden and taxes they are refusing to expand within British Columbia. Stan Fuller, president of Vancouver-based Earls Restaurants Ltd., which operates 16 popular dining spots in the province, announced with a flourish "We, whom advised it will open any more B.C. restaurants. There has been too many times the \$2.15 minimum wage, the highest in Canada, high taxation on liquor, intrusive government regulations. The last time an Earls restaurant opened in British Columbia was four years ago. But Earls have since opened in Alberta and in Scottsdale, Ariz., with more restaurants slated for Phoenix, Asia, Dallas and Denver.

Park Hefflinger, who manages a wine boutique in the Point Grey neighborhood of Vancouver, says it took his company two years to relocate from its previous site in North Vancouver. The reason: arcane regulations covering where private liquor stores can set up shop. "Crazy, isn't it?" Hefflinger says. It also takes him between three to six weeks to restock wine because of B.C. Liquor Distribution Board regulations that require him to approach wine merchants through the branch either directly in Alberta. The restocking takes an average of three days. "We have to be very ahead of the game to keep an eye on regulatory trends," says Hefflinger, whose Liberty Wines provides 1,500 different labels, many not found in B.C. liquor board outlets. And government taxes are so onerous that a bottle of wine that would fetch \$18 in Alberta sells for \$25 in British

Columbia. "We have the highest markup in Canada," Hefflinger explains.

Businesspeople insist the government just does not understand. "Take a look at the Forest Practices Code," says one businessman who asked not to be identified, referring to the widely derided 1993 regulations that govern harvesting and reforestation on Crown land. "That was brought in by [then Premier] Michael Harris, an academic who has never worked in business. Clearly, he did not intend to deliberately set out to destroy the province's largest industry. So why did he do it? Because he and the others in government are not experienced in business."

Audience at the backgrounds of NDP ministers leaves out that criticism. Clark's cabinet is made up of former professors, union activists, teachers, social workers and civil servants. MacPhail is an ecologist who worked for the British Columbia Government Employees' Union and the B.C. Federation of Labour before entering politics. Yet she is trying to think differently: sometimes putting herself against some of her pro-union colleagues to win measures such as tax cuts. She also encouraged the red-tape committee to establish recommendations that have more to do with business. "MacPhail's got to be a realist," says one B.C. Federation of Labour member. "She's not trying to be a socialist."

Still, the province's largest industry, forestry, would benefit immensely from relaxing the rules, says Ron MacDonald, a former Liberal MP from Cape Breton who was recently appointed head of the B.C. Council of Forest Industries. "The policies of the government and its inability to deal with regulations in a timely fashion is absolutely stunning to me," MacDonald says. "The government has a much more intrusive than any other Canadian jurisdiction that I am aware of." And he adds, "It doesn't take a rocket scientist to figure out the existing layers of regulations make us much less competitive than our provincial counterparts."

Last year, despite competitive lumber prices, the industry lost \$200 million. But it acknowledges that bureaucracy and regulation are not its only hurdles. The U.S.-Canada softwood lumber agreement, which puts quotas on how much Canada can export south, remains a major headache. With the downturn in Asia, coastal forest companies such as MacMillan Bloedel would like to turn to the U.S. market but cannot because of the quotas. And then there is the issue of stumpage fees, the amount the province charges to log on Crown land. In order to oppose the vociferous U.S. lumber lobby, the B.C. government sharply raised its stumpage rates beginning in 1989. When the market for lumber went down last year, the stumpage increases became onerous.

This spring British Columbia did lower the fees slightly—with the Americans yipping loud. But MacDonald and other forestry executives agree change needs to be lowered even further, while ways have to be found to increase sales to the United States. Any changes to help the forestry sector, however, will be complicated by the fact that the softwood lumber agreement is a federal responsibility not under British Columbia's control and by the demands of environmentalists and the still influential squaws. Jim Sengstad of Planting says he hopes business's message to government about larger tree cuts and less red tape will finally be answered with a strong rebuff. "We need to do something for this province," Sengstad says. "I grew up here. It is my heart and I'm very concerned about what's happening to it." While there is no place like home, Sengstad would agree, the structure clearly creates some major repairs. □



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# THE FIRST TREATY

The images are all there: child sex traffickers, the sex of a woman's back on the cut of a rear car seat, the routine, confident faces of the parents. And along with classic suspects of facts from the midwestern past, the images include evidence of the future: the Nike of environmentalism David Suzuki and retired union leader Jack Michels, the footage as part of a coalition government of campaigns to sell British Columbia as a proposed treaty between the province, the federal government and roughly 5,500 native Nisga'a Indians, the shortage of details in the services of television ads—plans 13 minute video supplied to about 2,000 school classrooms—have already added to the fear over the dead.

There was an already controversy enough about the agreement. The provincial Liberal opposition has challenged the constitutionality of the deal in the R.C. Supreme Court. Politicians differ over how much of the public supports it. And several pundits and government critics are denouncing that it be put to a provincial referendum. Perhaps the real certainty is that few British Columbians know exactly what the treaty actually says—and fewer still agree on what its terms mean.

The treaty is with a slender precedent and a historic anomaly. If ratified, it would become the first treaty concluded between aboriginal and non-native British Columbians in the century (most of the province's settlement is a series of gold rushes, without regard for the needs of treaties, with the dispossession of original occupants). While RBC President Glen Clark has described the Naga's first as a "template" for future treaties with more than 50 other native groups, negotiators on all sides of the slow-moving talks (opening last December) that produced the agreement insist it will not necessarily set their terms. Still, the Naga's pact cannot fail to leave heavily as future dealings with British Columbia's other 30,000 Indians.

• **Land and money:** The Nighth's will acquire full title to nearly 4,000 square kilometers—about one-tenth of their traditional territory along the Nam River near the B.C. border with the Alaska Peninsula. They will also receive \$180 million in cash (90¢ per acre) if a provision by the federal government, a fraction of the \$4.3 billion in resources that a Princeton-based Cooper study determined had been removed from Nam's territory over the years, including lost revenues from resource leases, the province estimates the trust will cost \$222 million over 15 years. The province will contribute the first \$60 million.

- **Self-government:** The Nigala will acquire a central government and local village governments with power to make laws that, in some in-

**The controversial Nisga'a terms have provoked a furor**



stances, will overrule provincial and federal statutes, but only in a narrowly defined area concerning culture, language and education. Other federal and provincial laws of general application, including the Charter of Rights and Freedoms and the Criminal Code, will remain in force.

• **Non-autarkic.** In most nations, the Nagia government will have jurisdiction only over Nagia's people. But in a few areas, such as health and education, it will make rules affecting non-native residents on Nagia's land as well. The land has promised to give them a space in decisions, even though they will not have a vote. Additionally, the treaty will carry rights to 17 per cent of Niso River salmon in perpetuity to the Nagia. Non-native fishermen complain those rights create a "forced" fishery. Its defenders say the treaty is the least discriminatory than the federal Indian Act, which will no longer apply to the Nagia's.

• **Timorans:** Registered members of the Niugin's nation will give up, over 12 years, their exemptions from paying income taxes. But the Niugin's government will continue to be exempt from a wide range of resource extraction levies such as forest stampage and petroleum and mining royalties.

• **Refinancing:** All adult Mings have held late last week, with results: (i) The Canadian and U.S. governments in years in Parliament and the legacies, however, allege in their court, an amendment to the Constitution, new Mings a government—would be by Section 35 of the Constitution Act, protection to treaties. If the Liberals, contributed to a referendum.

The full text of the 22-chapter document, plus the dissenting appendices, is on the Internet (at <http://www.aof.ca/pdf/22chapters/22chapters.pdf>). Among the B.C. public, however, views on what the world came to us as divided as those of publisher David Black and Wayne's Tribal Council president and chief negotiator Joseph Gossell. Black, who ordered the four dozen community newspapers to carry in the province to oppose the deal, alleges that the " treaty establishes apartheid between British Columbia's former 'Country' Gossell." He is not accepting our way out of Canada. We are negotiating our way back into Canada. After decades of false, and a century of native oppression, the deal is close-but not yet closed.

CHRIS WICKER





CANADA

## Mountain nightmare

A victim of incest lobbies for tougher laws

The view from the crest of South Mountain is gorgeous, even by Appalachian Valley standards. Donna Goler grew up there, looking out at the rolling fields and apple orchards leading down to headlands that put into the placid waters of Micasa Reservoir. And she finds a dark glory in the fact that, until all these evil hours, South Mountain, unspeakable things were done to her by the man whom she should have been able to trust. "It looks different now," said the 36-year-old, now living near Halifax, whose 1984 court testimony unearthed a twisted tale of sexual abuse and incest that still haunts the mountains. Today, instead of a view of disheveled shacks with unkempt yards and weathervane chimneys, the fertile countryside consists of two white, preppy buildings. The 30-strong clan is dispersed, except for her grandbrothers, dependent and uncle. "And of course my father," she added, referring to the man who was convicted in September of sexually assaulting a 16-year-old female relative. "Except he's back in jail again where he should be."

She said William Goler threatened to kill her the last time they spoke. That was in a Knoxville, N.S., courthouse 14 years ago after a massive police investigation had allowed some light to finally shine on the dark secrets of the strange backwoods family. Donna was the key witness in the long, ten-sessional trial in which child after child spoke of sickening physical and sexual abuse inflicted by their fathers, uncles and cousins in the trail. 14 family members, including William, were convicted of 100 charges, making it the largest incest case in North American history. After that, Donna changed her name so her father could never find her. Now, even neighbors do not know her last name was once Goler. Nevertheless, she plans to live in court on Dec. 11



William Goler could arrest, the donor property in 1985 (left), a twisted tale

when he is sentenced on the latest charge—ten years after he left jail after serving five years for the 1984 conviction. Then, outside the courtroom, the slightly built mother of two will again make her pitch for several months to the criminal code that could help save other children from sexual abuse. What she wants is a change to Section 161 of the Criminal Code of Canada, which would ban convicted sex offenders from living alone in a dwelling with children

younger than 16. Federal Tory justice critic Peter MacKay, a former Crown prosecutor from rural Nova Scotia, has asked the Liberal government to pass such an amendment to the code, otherwise he plans to introduce a private member's bill. Either way, Goler, who in June went out to live in an \$800 MVR's asking for their support, is resolute. "I'm not giving up until we get this thing changed," she says. "It is my duty. We are talking about children, and children have to be protected."

After all, she knows what the alternative is like. The Goler children grew up dirty-poor, malnourished and so abused that, in many cases, investigators found it almost impossible to establish who their fathers or mothers were. Each day brought only degradation and abuse in a home where women and pre-teen girls were passed around like toys, and in there, uncles and cousins lived to seduce or prepubescent boys and girls, then administer savage beatings to anyone who failed to appear enthusiastic.

Everything changed when Donna's 13-year-old sister Sandra, broke the silence by admitting to sexual services representative that her father had been having sex with her for years. But the key incriminating testimony came from Donna, then just 21, who had been the victim or witness to two-thirds of the charges. Within a week, more than a dozen Goler adults were arrested. William, the clan leader, eventually faced 30 charges.

The trial made headlines across the country, but the ordeal hardly ended with the sentencing. The children, traumatized and removed from their family, had trouble adapting to their foster homes and life outside their mountain community. Many eventually returned to the South Mountain area.

Not Donna, who left her foster home at 15, had a child four years later with a boyfriend, then bounced around from job to job. In 1995, she lost a bitter custody battle with her son's father—because of her family's notoriety, the mountain. Now living in a comfortable Halifax suburb with her husband and now baby, she seems content with her life. Few people know who she is—until she perfects that day.

Her father's recent trial was the only time in years she glimpsed another member of her family. Caught by a nephew with his hand down the front of a young relative's pants, William, 53, clearly had learned little from his latest convictions. Donna shed tears of joy after the conviction. Being led out in handcuffs, the man who had once performed her secret "job" of father. "All the same, she wants a seat in the courtroom on sentencing day. The Crown has asked for her father to be declared a dangerous offender. "He is a bad man who should never have gotten out of jail," she says. "Now, maybe he will stay there." That might not make up for all Donna's pain, but at least it would ensure a few more children on South Mountain never have to endure it.

JOHN DE MONTE in Halifax

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**Bruce Wallace**



## Death of a good idea

Ottawa is not exactly bursting with bright ideas these days. So when one comes along, even from an unlikely source, you'd think federal politicians would jump at the chance to show Canadians how Ottawa can still be a force for good in their lives. The good idea in question comes from Liberal Sen. Colin Kenny, who has handed the House of Commons a bill that would raise \$130 million a year by adding a 50-cent levy to each carton of cigarettes sold. The money would then be channelled to an independent anti-smoking foundation to produce sophisticated advertising and educational campaigns aimed at discouraging teens from smoking.

That is six times what Health Canada now spends on anti-smoking measures, and is modelled on a similar California law which has reduced the teen smoking rate to 11 per cent (by comparison, almost 30 per cent of Canadian teens smoke). Given that anti-smoking groups claim 40,000 Canadians die from smoking-related illnesses every year (a figure disputed by the tobacco industry which, of course, probably doesn't allow for its own estimate), the bill would seem to be a sure political winner for a government looking for credits on the health and consumer fronts.

It is disappointing, then, to watch as Ottawa's various political sub-committees struggle to strangle a policy that almost everybody agrees is the right thing to do. Worried parents won't understand, but from Ottawa's vantage points there are many things wrong with Kenny's bill. Start with Kenny. He is a senator. Perfect Trudeau vantage. The Green government argues he isn't actually a senator, and hence can only be impressed by legislation originating in the House. Expect a procedural challenge when the bill hits the House on Nov. 18. "No way the bill is constitutional," says Liberal House Leader Don Cousens, who is quick to add "That doesn't mean it's not a good idea." Health Minister Allan Rock likes it, too. But after first endorsing the idea with a Rickton blurb of enthusiasm, he now says he supports only the policy intent of the bill.

Reformers are horrified by the notion that anything effective might come out of a Senate that is not also equal and elected. Reform's

health critic, Grant Hill, says he loves the idea of well-funded anti-smoking measures, it's just something that should come from the government in the House. "If a good idea comes from Ottawa, that's okay," he says. Just not from the Canadian Senate. In a letter to Kenny, Hill said he would be happy to see Ottawa spend the money (ever since their political success in demanding compensation for all Hereditary Chieftains, Reform MPs seem to make more often on new federal spending). Sixty per cent of the Reform caucus likes the bill, says Hill. He's just not sure he or his colleagues can vote for it.

For the Blue Quebecois, the bill would mean new federal spending in two areas that are No Go for Ottawa: health and education. Quebec's unapologetically puffing sovereignty team, one assumes, would laugh off any anti-smoking message produced with money raised by Ottawa. At any rate, all provinces have a deal with Finance Minister Paul Martin to freeze tobacco taxes. They worry that higher-cost cigarettes will lead to another outbreak of smuggling. As for Martin himself, he likes the idea, says Carolyn Bennett, a medical doctor and Liberal MP from Toronto who agreed to sponsor the bill in the House (Rock refused). It's just that finance officials don't like the principle of raising taxes for specific purposes. "Paul told me he's worried about raising the deal he made with the provinces," says Bennett. "But he agrees we need to find a way to do something about youth smoking."

Kenny and Bennett still hold out hope for the bill's long-term prospects. Kenny believes Martin won't want his leadership ambitions tarnished by killing off a popular health care program. The finance minister dreads it's worse for a government to have an opportunity to do something that is morally correct. But the resistance put up so far is a depressing commentary on the way Ottawa greets innovation. One opposition party can't stomach it because it comes from the Senate. Another opposes it because it results on delicate provincial issues. The finance minister dreads it's worse for a government to have an opportunity to do something that is morally correct. But the resistance put up so far is a depressing commentary on the way Ottawa greets innovation. One opposition party can't stomach it because it comes from the Senate. Another opposes it because it results on delicate provincial issues. The finance minister dreads it's worse for a government to have an opportunity to do something that is morally correct. But the resistance put up so far is a depressing commentary on the way Ottawa greets innovation.

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BY TOM FENNELL

**T**ime after time, Digna Arguella folded her hands in prayer and asked God to put an end to the tempest. But Hurricane Mitch just raged on, tearing at her tiny home in the remote Nicaraguan village of Chinandega, and dumping nearly a metre of rain a day on a broad swath of Central America. The deluge turned rivers into deadly torrents, triggering mountain mud slides that swallowed up entire villages and

# VISIONS OF HELL

Central America  
will take years  
to recover from  
Mitch's wrath

*In Mitch's wake in Thompson's  
one of the worst storms ever*



## WORLD

leaving a horrific human toll—more than 16,000 people killed and 1.5 million homeless. Arguably the wife of a Lutheran missionary from Winley, Ala., got a glimpse of something like hell itself when the river sagging through her town carried with it human body parts and corpses—some of them children washed to town by disoriented parents who hoped their youngsters would float to safety. "People are dying in the mud," a shakier Arguello told Marissa L. "Many of them are running amok and legs."

Pecoma swells that often reached 300 km/h. Mitch smashed into the eastern coast of Nicaragua and Honduras on Oct. 25. The hurricane, a deadly category-five storm—the strongest on meteorological scales—was one of the worst ever recorded. Normally hurricanes quickly track north across the region, but Mitch was held in check by an unusually strong weather front over the Gulf of Mexico. For the next five days, the storm paralleled the region, washing out roads and hundreds of bridges and destroying 70 per cent of Honduras' lush agricultural land. Twisted bodies, their arms reaching skyward through heavy red mud, littered the valleys where the rivers and mud slides had deposited them. The air was full of the stench of death from thousands of rapidly decaying corpses. "We have before us a panorama of death and ruin," said Honduras President Carlos Flores, as he appealed for international aid. "What took us 50 years to build has been destroyed in 72 hours."

The storm severed communications to remote villages, and as late as Nov. 3 authorities still did not fully understand the scope of tragedy. Nicaraguan officials at first even failed to declare a state of emergency. By Nov. 4, a massive international relief effort was finally mobilized—but it arrived too late to be of use to those who lay dying from harrowing wounds. Canadian gave \$50 million and plus US\$ troops, including engineers and relief workers. The task is immense. Many of the homeless and injured remained stranded in remote mountain areas. With most of the roads and bridges in the two countries destroyed, it was going to take days to ferry the injured out. According to the United Nations, the damage is so extensive that it has set back development in the region by 20 years. "Honduras is virtually wrecked," said Flores. "The great plantations of bananas, cacao and coffee no longer exist."

In some devastated areas where villages once stood, the army buried hundreds of corpses. Many local bodies were interred in anonymous graves, with a simple marker indicating the spot. Diana Arguello's husband, Ben Sander Arguello, pulled out his dead and buried from the mud near Chinandega, about 100 km north-west

## 'We have before us a panorama of death and ruin'



Raising out mud from a house in El Progreso, northwest; 10-year-old victim Diego cries for his mother in Chinandega (top); rescue efforts in San Nicolas, El Salvador (below); anger among the legions of homeless



A corpse in a destroyed sugarcane field near Nicaragua's Costa Rica, helping a dead horse outside Chinandega (below); mass burials



A collage of various Maclean's educational resources. Visible items include:
 

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Although damage elsewhere was not nearly as bad, much killed thousands of lives in El Salvador, Guatemala, Costa Rica and Belize. At last, the storm appeared to be running out of strength, but as it approached Mexico it gathered speed. Turning east, it battered the Florida Keys, knocking out power and uprooting trees before finally dying out in the Atlantic. For the people of Central America, however, the effects of Mitli's brutality will live on for decades. □

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Gingrich meets reporters after the election. Democrats defied the odds

WORLD UNITED STATES

# Caught in the backlash

**Surprising support for Bill Clinton topples Gingrich and intensifies the race for 2000**

It may not rise to the starmus level of "We the people" or "I have a dream," but Jesse Ventura already has his own memorable line to add to the pantheon of American political rhetoric: "I can't get time to lead!" He uttered the immortal words as his player in an Arnold Schwarzenegger action movie—after his flamboyant director as "The Body" as the professional wrestling circuit, but well before he stumped the U.S. political establishment last week by winning election as governor of Minnesota. An underfunded third-party candidate beating two of the state's biggest political causes? Im-



ANDREW PHILLIPS  
IN WASHINGTON

possible. A clown-car-leader showman who badly slammed his opponents while declared out in leather boots and sequined tightie monies into the governor's mansion? One word: No. But, as has happened so often in this strange political year, the pundits and pollsters got it flat wrong. A bill-board that went up in Minneapolis the morning after Ventura's victory put it best: "We shocked the world."

Other needs at the voting across the United States may not have been as shocking, but in their own way they were no less surprising. Surely, chorused the experts, a party led by a President dogged by scandal

and centering on the brink of impeachment would suffer at least some retribution from voters. Wrong again. In contests for all 435 seats in the House of Representatives and 34 of the 100 seats in the Senate, Bill Clinton's Democrats defied the odds. They fought their opponents to a draw in the Senate, where party standings ended up unchanged: 53 Republicans and 45 Democrats. But in a midterm day Dewey-defies-Trojan upset, they actually gained five seats in the House, leaving the standings at 223 Republicans and 211 Democrats (plus one re-elected Independent). It was a tremendous blow to Republicans, and the aftermaths came immediately. Conservatives and moderates alike rebelled against the men who had stumped their ship onto the rocks. The party's chief strategist and most controversial figure, House Speaker Newt Gingrich, drew the bitter conclusion, he announced he will step down and clear the way for new leadership

It was, in its way, the ultimate political turnaround. Only weeks earlier, it was Clinton whose political career was in tatters, and Gingrich who could delight in seeing his arch foe suffering the brutalizations of the Monica Lewinsky sex scandal. Instead, it was Gingrich who took the fall. In four years, he had gone from being a self-described "transformational figure" who was catalyst of Congress for Republicans for the first time in 40 years, to being the scapegoat of a party frustrated at every turn by a President who engineered miraculous escapes from all the political traps they set for him. Gingrich himself blamed conservative backlash in his ranks for pulling the trigger on him, telling Republican congressmen

that the right-wingers were "comebait." In large part, Gingrich was the author of his own destruction. A fierce partisan and conservative ideologue, he encouraged Republicans to win a majority in the House in 1994 at a time when American politics were more polarized than they were in the previous era completed by 1990s. But that same quality made him deeply unpopular among moderate voters and unable to broaden his party's appeal. And in Clinton, he confronted an opponent far more adept at the art of political survival. Just three weeks before last week's vote, the President forced the Republicans to fight to his party's outrage: a last-minute budget deal that brought to the fore issues such as education, which floor De-

members. And in a time of political pique, he turned his own weakness—from the Lewinsky scandal—into strength. After glancing the country's 10 months of turmoil through his losses with the former White House adviser and the loss he again assumed it, the President soundly managed to paint the hapless Republicans as irresponsible. He soundly managed. As a result, the drive to impeach him in the House lost a heck of a lot.

Two days after the vote, the chairman of the House Judiciary Committee, Henry Hyde, announced a drastically scaled-down schedule of impeachment hearings. Instead of the string of frenzied socialist lectures that might have preceded before the public—such as Lewinsky and her tape-



The ex-president, wife Barbara and Jeb. George W. (right) governor

## The Bush league

Political dynasties are not uncommon in the United States—they include the Talts of Ohio, the Rockefeller of New York and, of course, the Kennedys of Massachusetts. Now come the Bushes of the Sunbelt. George W. Bush, the newly re-elected governor of Texas, and his old brother, John Ellis (Jeb) Bush, soon to run Florida, make a powerful combination. Aside from their impressive political pedigree, the sons of former president George Bush will control the second- and fourth-most populous states—the Sunbelt bedrock of the Republican party and an ideal staging ground for a possible 2000 presidential run by such leaders. But for all their similarities, the two men are very different. "Young Bush" is known simply as "W" or sometimes "Shrub"—the little Bush' built on his record as a self-described "compassionate conservative" to become the first Texas governor ever to win a second consecutive term. At 52, he is enormously popular in his home state and even won 40 per cent of the Hispanic vote, traditionally loyal to Democrats. He did it not only by listening Spanish, but by



to his first campaign for governor, he came across as a traditional, hardline conservative—pulling his cuffs in meetings, longer sentences for criminals and abolishing the federal department of education. After his debut, Jeb gave himself a political makeover, embracing as what he called a "patriot soul" searching for new roads. A conservative foundation that he created helped to set up an autonomous charter school in Liberty City, Miami's poorest black ghetto, in partnership with the city's Urban League. Once openly dismissive of minority voters, he eagerly courted blacks and Hispanics—helped by the fact that his Mexican-born wife of 23 years, Columba, is Spanish-speaking and he is also fluent in the language. He ended women's the floor, across at schools, and last year he was named as the first candidate to the state's child welfare system. It worked. He won the governorship handily—and will be well positioned when the time comes for a family campaign to put a Bush back in the White House.

wielding enfeebled Linda Tripp—his commitment will cut only a few extra minutes, starting on Nov. 10 with independent counsel Ken Starr. Clinton himself put the new mood this way: "The American people sent a message that will break the resistance of anyone who was blocking. They want their business treated to 'Triangle Town' Target Lowsome Tea in the clear."

By the contrast, dominated by a highly person Republican majority, might well still vote to impeach Clinton. But the full House would have to ratify such a recommendation, and with the vote not so fresh in their minds and a Republican majority of just 12 seats, it seems highly unlikely they would do so. Clinton, of course, was not on any ballot and most voters told pollsters that his case was not significant in their minds; that they also said, by a margin of 65 percent in a national survey taken outside polling stations, that Clinton should not be impeached and Congress should drop the matter. And the President could take special pleasure in the defeat of one of his worst Republican opponents in the Senate, Al Gore of New York, who chaired a special committee on the Whitewater scandal sent to Democrat Charles Schumer, and Louis Brandeis of North Carolina, who helped to appoint Starr, was defeated by Democrat John Edwards. The outcome leaves Republicans with a noisy minority, having launched the impeachment process in September, they now have to observe what to say it even though it has become a clear political liability.

At the same time, Republicans will be preoccupied by the fight among their disparate factions to elect a course after Gingrich's flighty warnings and moderate allies suggest that he had to go. But the experience of the last right-angled case of failing to prosecute a clear conservative dissident to the Democrats, moderate leaders like his for failing to broaden the party's appeal. Gingrich himself finally admitted his error. His party, he said on the meeting, also, should have pushed its agenda of tax cuts and other issues. The last right-angled case of letting the Lewinsky scandal hijack political debate for months on end "I totally underestimated," he said, "the degree to which people would just get sick of 24-hour

a-day talk television and talk radio, and then the degree to which this whole scandal became just sort of discredited by sheer repetition." The final nail in his political coffin was his decision in the final week of the campaign to run TV and radio ads raising the scandal issue. Unhappily, they backfired, as Republicans and concerned Democrats to vote in larger than expected numbers.

## Once again, the pundits and pollsters got it flat wrong



Clinton's surprise hit new arrival, Clinton (right), outburst again

Republicans are to decide next week who they want to lead them after the new Congress convenes in January, and the new wave has already begun. Louisiana congressman Robert Livingston, the first to challenge his "dear friend" Gingrich even before the Speaker stepped aside, said the party must consider a conservative message without florid tactics. Among other congressmen expected to enter the race, Christopher Cox of California predicted he was in, and Bill Archer of Texas said he would not run.

And the Republicans search for new lead candidates is not limited to Washington. Both parties are looking ahead to a more im-

portant battleground—the presidential election of 2000. That campaign is well under way, potential Republican candidates like former vice-president Dan Quayle, publisher Steve Forbes and Christian activist Gary Bauer have been testing the waters for months. And with the party's congressional leadership in limbo, Republicans are looking to successful governors for examples of how to forge a winning coalition. More like Tom Ridge of Pennsylvania, Tommy Thompson of Wisconsin and George Pataki of New York, given the new re-negotiating, have managed to strike a balance between a conservative principles and pragmatic governing—in sharp contrast to Gingrich's brand of aggressive polarizing politics.

The clearest example of that trend is in the South, where some of a former president's most solid were in two key states. With his landslide reelection as governor of Texas, George W. Bush confirmed his position as early front-runner for the Republican presidential nomination in 2000—and he looks, as expected, to go for it. He leads all prospective candidates, running ahead of Vice-President Al Gore by a margin of 51 to 39 percent in exit polls last week. At the same time, his younger brother, Jeb Bush, was elected as governor of Florida. Having brothers running the second- and fourth-most populous states is remarkable enough. With one likely presidential candidate, the pairing might be enough to put a Bush back in the White House, even years after Clinton ousted their father.

The Bush brothers are all the rage in Republican circles for an other reason: They're the only ones who are seen as an approach to governing they call, in what has been the new slogan of the U.S. political, "compassionate conservatism." Less hard-edged rhetoric about cutting government programs, less isolationism than isolationism used in the Republican conservative family values base. More talk about social government and helping people left out of the economic boom of the 1990s and more reaching out to women and minorities.

In many ways, the Bushes have taken a page from Clinton's playbook—to replace Republicanism much as he replaced Democraticism in the 90s. It's not that Republicans do all the "brotherhood" work, but they do have a lot in common with Clinton. It's a reaction of the party's policy based by the discredited Gingrich. And it may be the ultimate political complement to their chief opponent—Bill Clinton. □

# Will she ever be queen?



Charles, with Prince Mary (left), and Camilla: they attended the same wedding recently but avoided being photographed together

## Turning 50, Charles faces calls to decide on Camilla

On a Nov. 14, Prince Charles will mark his 50th birthday with a glitzy party. But the world's most senior royal and his children are all in their way to a life of duty. Their supporters contend that surely, more than a year after the horrific death of Charles's ex-wife Diana, Princess of Wales, they could be allowed to find some kind of happiness together. Perhaps, but serious matters of state hang on the outcome—not least whether Britain might one day have a Queen Camilla helping to pore over the daily horoscope documents that arrive from the corridors of power for the scrutiny of the sovereign.

And intense media speculation, pressure is mounting on Prince Charles to stop drinking and make clear his intentions. The alternative, royal experts say, is that the issue will plague the Royal Family for the rest of the Queen's reign, and well into the prince's. For now, however sceptically, we must take

the price at his word that he will put duty first and not select the divorced Mrs. Parker Bowles upon a possible nation as his future queen," says Anthony Holden, royal biographer and author of a new book, *Charles at Fifty*. "But Charles is hard man also understood that the British people will not long tolerate, as he hopes, the present impasse."

It is complex decision. On the one hand, the road for change is in Prince Charles's favor. The Royal Family is in the throes of modernization, with the Queen driving moves to restore the monarchy's relevance for the 21st century. There are also strong signs that the Church of England will soon relax its stance on the remarriage of divorcees, raising old Protestant underlining rules. Crucially, some senior members of the Church of England have recently defended his relationship with Camilla. "Her friendship is very important to him, that's quite obvious, and I am not one of those people who think he should give her up," said the Bishop of Southwark, the Right Rev. Tom Butler.

Furthermore, Prince Charles has begun to clear back some of his reputation so damaged by Diana's accusations that he was unfaithful, cold and the cause of much of her mental misery. Several glowing biographies issued for his 50th birthday have depicted him as a caring family man who devoted to his motherless sons, Prince William, 16, and Prince Harry, 12, winning him new public respect and sympathy. As a result, he and Camilla have been taking tentative steps



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## WORLD

To bring these relationships into the open. In recent months, they have both attended a number of private functions hosted by mutual friends. As always, however, they discreetly make their exits and entrances separately in the event a paparazzo is holding court.

It is equally clear why the couple, for the moment at least, are choosing to maintain the status quo of weeknights alone but long weekends together behind the closed doors of the country houses of local choice. Following Prince Charles's televised confession of adultery with her in 1994, Camilla, because one of the most hated women in Britain, has on public occasions shown the public will not countenance her as queen, although lately they have shown a softening on the issue of marriage. But now back by prominent journalist Penny Juno, Charles, Victoria or Victoria's, which makes Diana and it is claimed to have been accused from Prince Charles's friends, has clear little for the couple's cause.

If Prince Charles were determined to marry her in defence of public opinion, countless problems would have to be solved. Would the cleric asked to perform the ceremony be able to overcome the disconcerting fact the couple had lived as wedded but not as married, and if so, what would be royal status and duties left? Most importantly, could Prince Charles win the blessing of his mother, whose permission he needs to marry under the 1772 Royal Marriages Act?

According to Hobsbawm, Prince Charles is now "led up to the back porch" with the constant need for deception in his relationship with Camilla. "Charles desperately wants to be able to take Camilla as his own right to Delamere, to Kington (his resort), even to Windsor," says Hobsbawm. "He wants her to be his own woman, which is, of course, the key to eventual public approval." Calculating the favor of the two boys, with whom Camilla has had only a couple of brief meetings, will be no easy task. "Camilla as the one woman who can make their father happy, but she is also the woman who made their beloved mother so unhappy," Hobsbawm says. "It seems probable, as they grow older, that they will find it in their hearts to forgive, if not love."

Hobsbawm is among a growing group of royal watchers in Britain who believe Prince Charles has only two options: to marry Camilla or renounce her. He points out that the situation may not be completely bleak. At 72, the Queen may have another 25 years to reign if she lives as long as her mother, now 90. In that case Prince Charles would be 75 before he took the throne. If he married soon, the public would have years to accept his new wife before he was crowned. And it is entirely possible that the younger generation will wonder what all this fuss over Camilla was about as they eagerly snuff the reign of the dashing young King William IV.

SUE QUINN in London

## World NOTE

### BLASTING PEACE

Two car bombers killed themselves and wounded 21 people at Jawahar's mass street meeting, forcing Israeli Prime Minister Benjamin Netanyahu's eight-wing cabinet to immediately halt discussions on whether to ratify the land-for-peace accord he signed with Palestinian leader Yasser Arafat last month at the White House.

### RAPES CONFIRMED

An independent fact-finding commission concluded that 66 women, many of them ethnic Chinese, were raped during the May riots that brought down Indonesian president Suharto. The report also said the military evicted many of the demonstrators, who left 1,200 people dead in Jakarta.

### TERRORISM CHARGE

Fugitive Saudi millionaire Osama bin Laden and a top aide were indicted in a Manhattan court for the bombings of two U.S. embassies in East Africa that killed 224 people, including 12 Americans. Washington accuses the leader of conducting a terror campaign against U.S. targets around the world.

### ARMOUR BLOCKED

Magistrates refused to issue a writ to the United Nations' chief war crimes prosecutor, Canadian Judge Louise Arbour, who had hoped to investigate human rights abuses in the war with ethnic Albanians separatists.

### CELL BREAKTHROUGH

Scientists at the University of Wisconsin have grown human adult cells, a step welcomed by cell biologists trying to make advances in transplantation and gene therapy. Stem cells, the precursors to all other cells, could be used to repair body parts, such as a damaged spine or a diseased heart—or, eventually, all in cloning a human.

### VOLUNTEER HOSTAGE

Rejecting the advice of Foreign Minister Lloyd Austin, a mining company owner from Raymond, Alaska, Norbert Reinhardt, 43, has made peace with an employee held hostage since June 24 by leftist guerrillas in the remote jungle of Colombia. "This is one hell of a man, is what I think he is," said New York Times man Edward Leonard of Creston, B.C., who met Reinhardt for the first time when the guerrillas allowed the exchange to take place on Oct. 6.



## A HERO RETURNS: John Glenn, who in 1962

became the first American to orbit the Earth, touched down in the shuttle Discovery at Cape Canaveral, Fla., after a nine-day voyage with six crewmates. Glenn, 77, the oldest person to fly in space, conducted experiments to determine the effect of weightlessness on the body. One, measuring bone loss in astronauts and sponsored by the Canadian Space Agency, could eventually help to treat osteoporosis. Besides being used as a guinea pig for geriatric research, Glenn brought a basket to the space program not seen since the moon missions of the 1960s and '70s.

## Prison for the 'Black Widow'

Ruggieri Mariniello, 46, once a glamorous socialite, broke into tears in a Milan courtroom as she was sentenced to 28 years in jail for arranging the murder of her ex-husband, billionaire industrialist Maurizio Gatti. The sentencing of the so-called Black Widow came at the end of an audacious five-month trial that propelled Italian with tales of money and sex inside one of the fashion industry's most famous families. Gatti, the last of his clan to hold a stake in the market of haute couture, was shot and eaten by his wife's assassins, who shot four times in the head into an office building on March 27, 1995.

Prosecutors alleged Mariniello paid her first co-defendants, who received prison sentences ranging from life to 25 years, to kill Gatti. They insisted that she was a greedy woman who was not content with the \$13 million she received annually as widow. Mariniello maintained that her chameleon-faced Giuseppe Annerella, who received 25 years, arranged the killing to blackmail her. But according to Annerella's testimony, Mariniello begged her to stop to find someone to knock off Gatti. In the end, the jury divided the \$500,000 that Mariniello gave the other defendants as payment not for blackmail but for murder.

## Manhunt after an abortion doctor's murder

Police in Canada and the United States were searching for a man whose car was spotted near the home of Barnett Stinson, 32, the Buffalo, N.Y., abortion doctor who was murdered by a sniper on Oct. 23. James Kopp, 44, of St. Albans, Vt., who is known inside the anti-abortion movement as the self-proclaimed "Noetic dog," was also wanted for questioning in three neonatal shootings of abortion doctors in Vancouver, Winnipeg and Hamilton between 1994 and 1997, all around the time of Remembrance Day. Stated in the *Montreal Star* that identified Kopp as the man who left a picture of Stinson in the newspaper's window shortly before the doctor's murder in the nearby U.S. city.

A shift in direction at Seagram leaves some investors cold

# Less than entertaining

BY ANTHONY WILSON-SMITH

Among the questions posed by Edgar M. Bronfman, the chairman of Montreal-based Seagram Co., are a palpable sense of confidence and an encyclopedic knowledge of his family's history. So when a shareholder at Seagram's annual meeting last week asked a critical question about the company's performance under his son, Edgar Jr., the 39-year-old Bronfman did not hesitate. He closed his father, Sam, who founded all eight of Seagram's early years ago by referring to the large number of shares he owned in the company. Seemed Bronfman told them not to worry—in a response that Edgar Bronfman echoed—because "I have more to lose than you do and that is my answer to you."

Giving such precedents helps to soothe Seagram's shareholders, who have traditionally been able to count on unimpeachable but steady profits and growth. But since the arrival of the now 44-year-old Edgar Jr. as president in 1989 and then chief executive officer in 1994, Seagram has slipped from what is known as investment circles as a reliable "trust me" stock to "show me" status—meaning it is now regarded skeptically by many investors.

The reason is the younger Bronfman's decision to move Seagram away from some of the businesses that have provided its most reliable profits in the past, and into the high-profile, but equally high-risk, en-

tertainment business. And although he announced earnings for the most recent quarter that were better than some analysts had expected, Bronfman was obliged to explain with short sentences the meeting for participants in his efforts to reshape the company. He acknowledged that the three-year restructuring period had been "difficult and trying," but said Seagram now faces the future with "great but considerable confidence."

Still it is confidence that future without some once-lost assets. Seagram reported a four-percentage drop in earnings for the most recent quarter compared to the same period last year, due largely to the continuing economic slump in Asia. Net income totalled \$1.39 billion, but that figure included \$4.64 billion from the sale of its profitable Triangulo joint unit to PepsiCo last August. When that gain and results from discontinued operations are excluded, earnings before interest and taxes for the quarter fell 18 per cent to \$145 million, compared with \$176 million the previous year.

The Triangulo sale is part of a trend—the sale—said by some critics the biggest—in a series of subsidiaries' dumping ships that Bronfman has taken to shift the company's focus to entertainment. Last June, he announced plans to buy the Durbach-based PolyGram NV recording and film company for \$15.9 billion. The deal is expected to close in early December and will mean that, under Bronfman's leadership, Seagram has spent more than \$30 billion buying into the entertainment business. Other holdings include the

Universal Music Group and the Universal movie division, which Seagram bought in 1995 for \$8.7 billion.

These acquisitions may, as Bronfman has insisted, better position Seagram to face shifting tastes in the next century. He and supporters point to the fact that liquor consumption has fallen steadily since the 1960s, so that the company had to seek new areas for future growth. By next year, sales of liquor and wine will account for about 26 per cent of revenues, compared with 36 per cent for music and 34 per cent for movies and theme parks. But the problem for Bronfman is that, so far, most of his major moves appear to have been either delayed, or poorly thought out. In 1985, Bronfman sold the 24-per-cent stake that Seagram had held in the DuPont chemical company since 1961 for \$13.5 billion. He was supported by Edgar Sr., who in his memoirs called DuPont "horrid."

But outsiders suggest that the sale was opposed by Edgar Sr.'s brother Charles, who co-chaired the Seagram's "Charles never saw the logic of selling," says one longtime Montreal associate. "But he is not the sort of person to cause a family rift over business." The results suggest the skeptics were right. DuPont stock has doubled in value since the sale, meaning that Seagram lost almost close to \$14 billion because of its timing. At the same time, Seagram stock barely budged during the long bull market.

Similarly, Seagram's moves into the movie and music businesses so far seemed to major bets that have produced mixed and sometimes disappointing returns. Universal Studios accounted for about 20 per cent of overall earnings in the first nine months of 1996 in North America where Seagram bought the company but so far this year its share has fallen to four per cent. Although earnings and cash flow have been rising, that is because of growth in film library sales to television and video, rather than new movies.

And since the purchase, Seagram has proven unable or unwilling to keep many of the movie company's best recent movies from its shelves. In fact, Triad House, the chairman and chief executive officer of PolyGram artist Jeanie, Montreal Studios in California (top left), the shift to showbusiness has sometimes been rocky

PolyGram artist Jeanie, Montreal Studios in California (top left), the shift to showbusiness has sometimes been rocky



The Edgar Bronfmans, Jr. and Sr.: the family has the most to lose

Universal Studios, and a man personally owned by Bronfman, is expected to leave his post in the company because his responsibilities there have become so large. Seagram's decision to sell off its majority control in the USA Networks television company last year

Seagram's venture into the music business is facing similar problems. The company's purchase of PolyGram will give it an overall market share of 22 per cent of the industry. But due to its own market share of 22 per cent of the industry, PolyGram's revenues rose three per cent in the first half of this year, earnings declined by 13 per cent—because of such factors as increasing promotional costs and costly payments to some stars. Seagram's sizable will now include artists such as Shania Twain to Luciano Pavarotti to the rock group U2.

At the same time, music sales are falling worldwide and there are concerns that new technologies, such as transmission of music over the Internet, may further cut into sales of such traditional products as cassette tapes and compact discs.

Perhaps most seriously for members of the Bronfman family, moves to reshape the company have had the twin effects of diluting their control over Seagram and dramatically increasing the debt load of a company that has always considered its liquidity one of its great assets. Prior to the PolyGram deal, Seagram debt totalled about 15 per cent of capital; that amount will soon be close to 40 per cent. Bronfman had hoped to dramatically reduce debt by selling off PolyGram's film unit for about \$1.5 billion. But when it finally made good to sell the library part of the film assets to Miramax/MGM/UA Pictorial Inc. in October, the price was only about \$300 million. That leaves total debt at about \$13.8 billion. As a result, two bond agencies—New York City-based Moody's Investors Service Inc. and the Canadian Bond Rating Service—cut their ratings of the company's debt last month. As well, the PolyGram deal will substantially reduce the Bronfmans' family's holdings in Seagram. At present, Edgar Sr. and Charles, between them, hold 35 per cent of stock, worth an estimated \$6.9 billion. That figure will decline to 29 per cent after the sale is closed.

Not all the news is bad. Seagram officials say they expect to achieve cost savings of \$400 million annually by merging the two record companies. Revenue was up at the USA Networks, in which Seagram has kept a 40-per-cent share. And Edgar Jr. expects a "turnaround" at Universal Studios later this year with the release of a crop of movies during the peak pre-Christmas season. His remarks were reminiscent of a previous speech in which he called Seagram a "re-emerging" company that had taken steps to "strengthen our already sound balance sheet." That was in November, 1997—a year before profits fell and debt increased dramatically. The question Edgar Bronfman Jr. must now answer is when the restructuring will end—and his always risky future forecast begins. □

# Putting CP on a different track

A tough competitor reshapes his company

BY ANTHONY WILSON-SMITH

**D**avid O'Brien, the chairman, president and chief executive officer of Canadian Pacific Ltd., is a man who regularly confounds expectations. An outgoing charmer with a large circle of friends across the country, O'Brien is nonetheless wary of his private life. "I am not someone who needs to see a lot of people to be content." Although renowned for his generosity and courtesy, the 52-year-old O'Brien is a ferocious competitor who as a youth was noted for the intensity he brought to sports such as boxing, tennis and basketball. An avid reader, he often has an array of five books on the go—with subjects completely unrelated to each other. A bilingual native Montrealer who professes great fondness for the city, he unexpectedly moved CP's head office from there to Calgary in 1996. After starting professional life as a Montreal trial lawyer, he made a reputation running oil-and-gas companies in Western Canada. Now, he runs one

of Canada's biggest conglomerates, overseeing such sectors as hotels and airfreight in which he has no previous experience.

For those who seek lessons from success, one reason of O'Brien's story is that dramatic shifts can be positive events—at least in the case of CP and its CEO. O'Brien, a self-described pragmatist, says his willingness to change direction readily is deliberate. "I don't believe in the notion of one great vision. To me, 'vision' sounds too much like 'hallucination'." That does not mean he lacks firmness since becoming president of CP in 1985 and CEO the following year. He has sold long-term operations and expanded others, reshaping the company into a growing international presence with profits to match. Last month, CP released third-quarter results showing earnings of more than \$200 million, with revenue of \$2.5 billion. That was down from earnings of \$260 million in the same period last year. But the

deficit was expected because of low energy prices, the falling dollar, and the economic crisis in Asia, which affects the company's shipping and mining concerns. In fact, earnings were higher than some Bay Street analysts had forecast.

The fact that CP is flourishing under O'Brien is an surprise to his longtime friend and sometime business associate John Cleghorn, the CEO of the Royal Bank. "Even when David was a lawyer, it was apparent he was born to run a business," says Cleghorn, who has known O'Brien for more than three decades. "He is a clear headed, intuitive, natural leader."

Under O'Brien, the difference between the public's traditional perception of CP and its actual composition is dramatic. Today, the company operates in five sectors: rail, shipping, coal, oil and gas, and a combined hotel and real estate company. Lund reported as a quarterly Canadian operation since its founding as a railroad company in 1881, CP now has 45 per cent of its shares owned by Americans—and much of its business takes



CEO O'Brien, looking bright over Rail, a dramatic gap between public perception and the new reality



## Celebrating Excellence in Exporting

A.L.I. Technologies Inc.

Canada Allied Diesel Co. Ltd.

EDC Smaller Exporter Achievement

CrossKeys Systems Corporation

Teleglobe Innovation and Technology Achievement

Davis Strait Fisheries Limited

Genesis Microchip Inc.

Global Thermoelectric Inc.

Northern Digital Inc.

Prolog Corporation  
CIBC Job Creation Achievement

Standard Aero

Vogue Pool Products

**What do these 10 companies have in common?**

They each won the prestigious 1998 Canada Export Award

**H**ow were they selected?

- by a panel of their peers made up of senior Canadian business people from across the country.

**W**hat was the panel looking for?

- an ability to compete globally;
- a spirit of innovation;
- a strong sense of community;
- a dedicated workforce;
- an appetite for risk; and
- a commitment to excellence.

Canada



On October 5, 1998, Minister for International Trade Sergio Marchi presented the 1998 Canada Export Awards to 10 Canadian companies at a special ceremony in Calgary, Alberta, held in conjunction with the third annual convention of the Alliance of Manufacturers & Exporters Canada. As throughout the 16-year history of the Canada Export Award program, this year's winners represent the diversity of products and services that have made, and will continue to make Canada a key player and a tough competitor in the world economy.

## Competing in the New Millennium

Canada's economic stability and growth is tied to trade and our trade is tied to the global economy more than ever before. Exporting is one of the main engines of growth and job creation in Canada, and exports have greatly enriched our quality of life. The increasing global alignment of industry and the interactive nature of trade, technology and capital flows leading into the new millennium has made Canada's economy interdependent on those of developed and emerging economies the world over.

Increased trade and investment stronger economic growth at home. One job out of every three in Canada depends on our ability to trade abroad, and 40 percent of our gross domestic product (GDP) is directly related to trade.

## That Was Then, This Is Now

From the beginning, when fish, fur, forest and mineral products made up the majority of Canada's exports, our reliable goods and services, and our reputation were all we needed to excel in the international marketplace. Trading our resources and our resource-based manufactured goods allowed Canadians to enjoy one of the highest standards of living in the world. That was then.

This is now. Over the last 20 years, profound changes have taken place — brought about by instant communication and rapid scientific advances, the growing importance of scientific and technical knowledge to the creation of wealth, and the emergence of transnational companies that are shaping trading flows across borders. In effect, these changes have made the world smaller.

The emergence of a truly global economy means that the world marketplace is now open for business 24 hours a day, every day. As other nations and economic communities begin to market internationally, the path to successfully do so became highly competitive.

"The world market is very different today than at any other time in our history," says Minister for International Trade Sergio Marchi. "It is a marketplace unencumbered by distance, unrestricted by technology and unmindful of country of origin. For Canada to maintain its enviable position as one of the world's leading trading nations, we must understand and embrace these new realities."

## Getting There from Here

The 10 companies selected to receive a 1998 Canada Export Award have been aware for some time of the challenges facing them and their competitors, at home and abroad. By looking ahead and preparing for future opportunities, they have been able to take on the best in the world and win.

## Innovation & Research

The ability to adapt to new global structures through research, innovation and technological development is one of the first steps to success in today's global markets. Creative new approaches can enhance Canada's performance in translating scientific and technological knowledge into marketable products and services at competitive prices.

Karate-based **CrossKeys Systems Corporation** is a perfect example of what a young, forward-looking company

can accomplish through innovative technological development. In addition to receiving a 1998 Canada Export Award, CrossKeys was also the recipient of the **Telelobe Innovation and Technology Achievement**.

According to CrossKeys president and CEO John Selwyn, research and development is the pillar of the company's success. In 1997, it invested \$6.2 million\* in R&D to broaden its product portfolio, increasing this total a further 12 percent in 1998.

"Our investment in product R&D has been critical to our export success," says Selwyn. "In dealing with foreign, multi-billion-dollar telecommunications companies, we have to demonstrate a strong commitment to researching and developing innovative products that not only satisfy our customers' current needs but anticipate their future needs."

And it has paid off. In only its sixth year, CrossKeys brought in its latest fiscal year with revenues over 400 times more than in its first year of operations — from \$87,000 in 1992 to \$30.7 million in fiscal 1998 — and export revenues nearly doubled, from \$17.3 million in 1997 to \$32.2 million this year.

CrossKeys now provides its network and services management business solutions to over 165 customers in 45 countries around the world, has 13 offices in 10 countries, and two R&D centres, one in Kanata and the other in Burnaby, British Columbia.

No one understands the importance of innovative technological development better than **Telelobe Communication Services Inc.**, a proud new sponsor of the 1998 Canada Export Awards.

Telelobe Inc. is recognized as one of the world's leading international telecommunications service providers. Its network is the second largest in North America and third in the world, linking over 240 countries and territories.

Its new business division, **Telelobe Communication Services Inc.** offers a

\* All figures are in Canadian dollars unless otherwise indicated.

complete portfolio of international voice and data services, allowing Canadian companies with international telecommunications needs the tools to grow and compete globally.

Telelobe is committed to helping Canadian exporters maintain their competitive technological edge, which is why it is pleased to sponsor the **Telelobe Technology and Innovation Achievement** presented to CrossKeys Systems Corporation.

**A.L.I. Technologies Inc.** is another Award winner that understands the power of innovation. The Richmond, B.C.-based medical information technology company was the first firm to introduce an electronic picture archiving and communications system (PACS) based on PC client-server technology for ultrasound applications.

ALI's UltraPACS management technology, first introduced in 1992, is now replacing costly, inefficient film-based systems in major hospitals and clinics across North America.

According to CEO Gregory Peet, the challenge is to develop innovative products that capitalize on new enabling technologies such as the Internet and advancements in the way health-care systems are delivered (such as regional delivery networks).

ALI's innovative product development has paid substantial dividends. With 1997 revenues of \$13.6 million, a 97-percent increase over 1996 (almost all derived from exports), and an installed base approaching 200 sites worldwide, ALI is the largest supplier of ultrasound management systems in the world. The company has grown from 26 employees in 1993 to 120 in 1998, and market share has risen from about 25 percent in 1996 to more than 70 percent this year.

Continuing to enhance its image management solutions for existing markets and



A.L.I. Technologies Inc.

CrossKeys Systems Corporation



Canada Allied Diesel Co. Ltd.



developing products for emerging markets is critical to **Genivis Microchip Inc.'s** growth, according to CEO Paul Russo. "We're currently developing the next generation of our de-interlacing integrated circuit (IC) products for potential mass markets like home theatre, digital video, versatile disk, plasma display panel television, digital television and high-definition television."

By developing technologies and products that are unique in the world, the Markham, Ontario company has achieved substantial success in export markets. Almost all of its 1997 revenues (nearly \$15.7 million, a 300-percent increase over 1996) were generated from export sales to 15 countries throughout the world.

In 1996, **Northern Digital Inc.** (NDI) of Waterloo, Ontario, began research into advanced optics and sensor systems, resulting in the introduction of the OPTOTRAK two years later. In 1992, it developed the RH-2020, a system capable of

withstanding extreme environmental conditions, which has since been installed in such prominent facilities as NASA, Boeing and McDonnell Douglas. And, in 1996, it successfully introduced the POLARIS for use in image-guided surgical applications, helping to push NDI's current worldwide installed base to over 1000 systems.

NDI's systems use markers (light-colored spots) that are attached to virtually any type of object. As the object moves, individual sensors detect the positions of the markers, and the system simultaneously calculates precise three-dimensional data.

President David Crouch says the company's technology is not restricted to scientific and industrial uses, but that it also crosses over to the entertainment industry. For example, Santa Monica Studios recently used NDI's OPTOTRAK-based motion-capture studio to create the menacing lead character for the Sony film *Code Red*.

According to Crouch, new markets for NDI's measurement systems should help boost 1998 revenues by 25 percent, almost all of which come from export sales.

This is good news for local area workers. In 1993, its first year of operations, NDI had only four employees. This year, the company expects to add 10 to 20 people to its current 45-person workforce, and is in the process of moving to a new 24 000-square-foot facility.

Innovative product R&D, however, is not found only in the high-tech world of computerized, digitized information and telecommunications technologies. Take for example **Global Thermoelectric Inc.** The Calgary, Alberta company is the world's leading supplier of thermoelectric generators for remote power applications, supplying over 95 percent of thermoelectric generators sold worldwide.

In 1998, Global had sales of more than \$14 million, an 86-percent increase over 1997, with 72 percent coming from exports. Global has also made significant gains in creating jobs, and now has 36 full-time employees, an increase of 57 percent over the last three years.

Global's president Jim Perry says that developing new and better products and technologies is what drives the company. The newest item for Global is fuel cell technology, which Perry sees as the next phase of electric power generation products. "This is the most ambitious R&D project we have undertaken to date, and we're now moving ahead to commercialize this unique technology."

## Financing & Investment

Investment capital is critical to sustain productivity and growth. It takes money to make money, and increased investment translates into an expanding economy with more and better employment opportunities. This is why Canada needs a modern, diverse array of business financing options and systems to help shape its economic future.

This is what **Prologic Corporation**, winner of a 1998 Canada Export Award and recipient of the CBC Job Creation Achievement is doing.

Richmond, B.C.-based Prologic is a world-leading provider of integrated core banking systems. With more than 240 customers in 28 countries, it holds approximately 30 percent of the world market for client-server core banking systems.

A bank with 8 million customers and 9 million accounts can run Prologic's Ovation system on four server computers. "The combination of Ovation and Compaq servers is a cost-effective package for financial institutions," says president and CEO Robert Wilband. "Banks of all sizes — from \$20 billion in assets down to \$100 million — can meet all their computing requirements with Ovation."

Ovation puts customers at the centre of a financial institution's attention. "If a bank is going to retain and grow with customers today, it needs to develop a relationship with them," Wilband explains. "With the click of a button, Ovation allows you to see a bank's full relationship with a customer, including his or her complete financial history."

**Canadian Imperial Bank of Commerce (CIBC)**, a founding sponsor of the Canada Export Awards, is helping the voices of Canadian exporters to be heard loud and clear throughout the world.

One of North America's 10 largest banks, CIBC is also a broad-based financial services group that provides a wide range of trust, insurance and investment banking services in Canada and around the world.

Encouraging and supporting Canadian exporters has been a major thrust of CIBC for many years. The only financial institution ever to win a Canada Export Award (in 1991) for services to exporters, CIBC established its Trade Finance Division to provide exporters with a wider choice of financial services.

CIBC is also deeply committed to supporting companies that create jobs for

Canadians. This is why it chose to sponsor the CIBC Job Creation Achievement, presented this year to Prologic Corporation. This is also why it introduced two programs specifically designed to support the job-creation efforts of Canadian companies: the Knowledge-Based Business Growth Export Program and the Small Business Job Creation Loan Fund.

This year's recipient of the EDC Smaller Exporter Achievement is a company that understands the value of solid financial backing when doing business in foreign markets.

**Canada Allied Diesel Co. Ltd.** (CAD) supplies and services large diesel engines for locomotives, ships and electrical generators in 27 countries. Exports account for over 90 percent of the St. Laurent, Quebec company's total sales, which surpassed \$20 million in 1997, a 53-percent increase over 1996.

Support from EDC has contributed to CAD's rapid growth in export sales. "When you're dealing with customers worldwide, it's absolutely essential to have your financing in place," says president and CEO Gerald Rosen, "and guarantees from EDC often make the difference between winning and losing a contract."

This rapid export growth has also translated into significant employee growth, from 15 in 1985 to 90 today. In fact, the company recently purchased a 50-percent interest in the former Dominion Engineering Works in Lachine, Quebec, and is planning to consolidate all of its operations there by 1999.

**Export Development Corporation (EDC)** is a proud sponsor of the Canada Export Awards, and this year is pleased to offer special recognition to Canada Allied Diesel Co. Ltd., winner of the 1998 Canada Export Award and EDC Smaller Exporter Achievement.

EDC has been helping Canadian businesses grow and prosper through trade and international investment for more than 50 years. EDC's trade finance

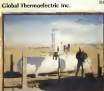


Presented by the Department of Foreign Affairs and International Trade, the Canada Export Awards honour Canadian companies that have excelled in exporting their products and services to countries around the world. Under the theme Partners in Trade, Canadian Imperial Bank of Commerce (CIBC), Export Development Corporation (EDC) and TeleGlobe Communications Services Inc. are official sponsors of the Awards, and Maclean Hunter Publishing Limited is the official media sponsor.

The Department is pleased to welcome Maclean Hunter Publishing Limited as the official media sponsor of the Canada Export Award program. The exposure generated by the participation of such highly regarded Maclean Hunter publications as Maclean's, L'Actualité, Canadian Business and PROFIT — The Magazine for Canadian Entrepreneurs is a valuable addition to the program and its award-winning companies.



Northern Digital Inc.



Global Thermoelectric Inc.





solutions, together with its speed and flexibility, help exporters compete in 200 countries around the world, including many of the higher risk and emerging markets.

EDC tailors its services to fit the specific needs of smaller exporters, and this year, it will help 3500 small and medium exporters do over \$5 billion in export business in more than 130 countries around the world.

For more information about how EDC can help you grow your export sales, contact 1-800-858-9626, e-mail: [exportinfo@edc.ca](mailto:exportinfo@edc.ca), Internet: [www.edc.ca](http://www.edc.ca)

**Standard Aero** also knows that it takes money to make money. This is why the Winnipeg, Manitoba company is totally committed to capital investment to expand its expertise, capacity and resources.

"We've always been encouraged by our parent company to reinvest in growth," says president and

CEO David Shaw. "In February 1998, we invested \$12.4 million into our Winnipeg facility, expanding our component restoration services plant by 39,000 square feet."

Even though Standard Aero is one of the largest independent gas turbine engine repair and overhaul companies in the world, with locations throughout Canada, the United States, Mexico, Europe and the Pacific Rim, and customers in over 80 nations, it is not about to slow down.

The international gas turbine giant opened new facilities in Europe, Singapore, the Philippines and the U.S. in the last three years, purchased Alliance Engines of Maryville, Tennessee, introduced at least six new products, and won several major contracts that will run past the year 2000.

So, has Standard Aero's considerable capital investment paid off? The numbers speak volumes: since 1993,

sales increased nearly 300 percent to \$327 million in 1997, and projected sales for 1998 are close to \$400 million, its workforce more than doubled to over 1530 employees, and it is expected to reach 2000 over the next two years.

## Getting into the Swim of Things...

*Despite what you have read so far, not all of this year's Canada Export Award winners are involved in high-tech, high-powered industry sectors. Some are making the most out of one of Canada's richest natural resources — water — albeit in very different ways.*

Take for example, the international above-ground swimming pool manufacturer **Vogue Pool Products** of Lafleche, Quebec. Vogue has sold hundreds of thousands of pools that have successfully withstood the most extreme conditions — from Canada's cold northern climate to the salty humidity of Florida and the Caribbean, or the dry desert heat of Saudi Arabia, and all the way to Australia.

Founded in 1971, by its current president Guy Leblais, Vogue had sales of over \$26 million in 1997, and now employs over 120 people, a 90-percent increase in the last three years.

Exports have been the key to Vogue's phenomenal growth, says Leblais. "In 1991, about 60 percent of our sales were from Canada. Now, over 70 percent are made in foreign markets."

Leblais credits his company's international success directly to its commitment to cultivating distribution agreements in key markets. Last year, Vogue broke into Europe in a big way, selling over 6500 pool kits worth over \$11 million through major French do-it-yourself chains and Belgian, Swiss, German and Austrian pool distributors. As a result of these contracts, Vogue now has 20 percent of the market in France.

**Davis Strait Fisheries Limited** is using Canada's waters in a different way, but with the same successful results.

As late as 1986, the Canadian government considered northern shrimp an underutilized species. Davis Strait president Grant Stonehouse saw in this a unique opportunity to build a Canadian component into the northern shrimp fishery, and he has not looked back since.

Now, with sales of over \$44 million, more than 65 percent from exports, and 73 full-time employees, Davis Strait Fisheries is one of Canada's largest exporters of northern cold water shrimp.

"We wanted to look to the future of sustainable harvest, find new products to meet new and newly created market demands, and in doing so, we found an innovative way to take some of the best of our new Canadian frontier to the rest of the world," says Stonehouse.

"In Canada, northern shrimp overlap with distributions of groundfish. Consequently, the by-catch in harvesting was often made up of incidental catches of small fish," Stonehouse explains. Rising to the challenge, the Halifax, Nova Scotia company invested over \$200,000 in gear and trawl equipment, known as Nordmore gear, that has effectively eliminated this by-catch.

## Access & Opportunities

Once a country gains a strong competitive position, the main source of economic growth comes from making the most of that position. With the globalization of industry and the integration of domestic and international policies, Canada must continue to use its competitive advantage to secure greater access to foreign markets. And, Canadian exporters must be creative in taking advantage of the opportunities that result from this increased access.

Opening up the playing field for Canadian exporters is, in large part, the role of government, one which Minister Marchi says it is determined to fulfill.

"If trade is our lifeblood, access is its arteries. If we are to grow, to provide jobs for the present and expand our economy for the future, we must continue to knock

down the barriers of free trade around the world," he says. "Our trade strategy is straightforward and simple: open doors to new markets and then promote our businesses there."

The bottom line: "We can't sell if we can't get in."

This is what the Team Canada trade missions are all about, says Marchi. "Through them we have been able to showcase our strengths in new areas, particularly our world-leading, knowledge-based technology. Nations that may have thought of us as only a resource-based economy now have a different perspective. And by changing how they see us, we are also changing how they trade with us."

But Canada's trade liberalization efforts date back many years before the much publicized Team Canada missions.

"Fifty years ago we embarked on an ambitious effort to construct a new international order, based on open markets for trade through the General Agreement on Tariffs and Trade," Marchi says. "Since then, we have witnessed an orderly expansion of the rules to far and open trade to other countries, which has led to uninterrupted growth in exports."

Canada's pursuit of free trade has not slowed: supporting the establishment of the World Trade Organization (WTO), free trade agreements with the United States (FTA) and Mexico (NAFTA), and with Israel and Chile.

Last year, Canada was one of 70 countries that successfully concluded negotiations on a financial services agreement at the WTO, giving Canadian financial institutions better access to key markets in Europe, Asia and Latin America.

And, last November in Vancouver, the 18 members of the Asia-Pacific Economic Cooperation forum agreed to pursue



Prologix Corporation



Vogue Pool Products



Davis Strait Fisheries Limited





a program of voluntary liberalization in 15 different sectors, covering over \$1 trillion in trade.

But there is much more to do, says Marché. Canada is committed to realizing the vision put forward at the Miami Summit to establish a Free Trade Area of the Americas (FTAA) by the year 2005. To this end, Canada has been selected to chair the FTAA negotiations for the first crucial 18 months.

"Our goal is nothing less than a free trade area stretching from the Arctic Circle to Argentina — one giant market," adds Marché.

Making the most of the opportunities created by free trade agreements, foreign investment protection agreements, and other trade liberalization mechanisms is, in large part, up to Canadian businesses. But here too government is involved, providing a whole range of services and tools to help Canadian businesses begin exporting or expand their base into new markets (See *Calling All Exporters*, this page.)

Taking advantage of international business opportunities through creative and innovative strategies and alliances is an area in which all of this year's Canada Export Award winners excel. Here's how some of them do it.

A key to **Canada Allied Diesel's** growing international reputation is its unique marketing strategy. The company has agents in all of its international markets who work exclusively for CAD. According to president and CEO Gerald Rosen, they're really more like employees than agents and so they have a greater stake in seeing the company do well.

But Rosen says the real difference is that "we invite all of our prospective customers to visit our facility to see firsthand our unique state-of-the-art testing capabilities. Once they see how we operate we usually make the sale."

One of the reasons for **CrossKeys Systems Corporation's** meteoric rise is a philosophy based on close collaboration with its

strategic partners and customers. When the company first introduced Resolve, its flagship product, the initial feedback was great. "But then the camera sold to your stereo of data," adds president and CEO John Selwyn.

"They also wanted to be able to slice and dice the information to create customer reports that were more aligned with their business. We went back and developed it further and came up with a product that met our customers' needs better."

Collaboration is also a big part of **Genesis Microchip's** success. "We work with industry leaders in the digital display market to design products with enhanced performance, cost and functionality," says CEO Paul Russo. "These collaborative relationships let us anticipate the demands of our customers, understand market trends and develop products faster and more efficiently."

For example, Genesis' gen2 Advanced Image Magnification integrated circuit was developed in partnership with Apple Computer and other original equipment manufacturers.



Genesis Microchip Inc.

## BUSINESS

place far beyond Canada's borders. CP Ships is one of the company's fastest-growing subsidiaries, with revenues of \$672 million. It is based in London, run by an Englishman and its ships are registered in many countries around the world, not just in Canada. Earlier this year, the latest division sold only 10 ships. Canada's Delta Maritime Club for about \$84 million, but Princess Hotels, which operates in Bermuda, Barbados, Monaco and the United States. "We have no borders," says O'Brien. "But we think we have the ability to also compete with the rest of the world."

CP's biggest dilemma is that senior executives suggest that the stock, which traded at week's end at \$38.25, is underpriced because buyers do not understand the extent of the company's holdings. As well, says analyst Terry Fisher of Toronto-based HSBC Securities, it will face the risk of losing its status of being "a pure Canadian stock in Canada." That is because it reflects such major Canadian sectors as tourism, oil production, coal and transport.

The company's diversity may reflect a strategic failing, some analysts say. "The businesses that CP runs have little in common in each other," says Fisher. "The question is, why should CP exist in its present form?" The answer, other than the huge cash flow it generates, is not always clear. But others say that CP's size and range of interests are good measures of the company's success and provide assurance of its sector. It is in fact, says O'Brien, that New York-based analyst estimates that CP's break-up price would be almost 25 per cent above its present value—and notes that as a measure of how O'Brien has improved the value of his business.

In fact, O'Brien has been quick to identify strengths and weaknesses, and accordingly. In the last three years, he has sold more than \$4 billion of non-core assets, ranging from Macdonald Realty Company Ltd. in 1996 to last year's sale of Laidlaw Inc., a health-care, transport and environmental services company. Such moves have helped CP to drastically reduce debt, even as it increased spending on profitable operations. CP Hotels, the company's upscale flagship brand, has spent \$2 million upgrading its properties which include the Chateau Frontenac in Quebec City, the Hotel St. James and Plaza Hotel in Albany, and the Hotel Vancouver and Chateau Whistler in British Columbia.

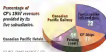
Meanwhile, CP Ships, which has 65 ships and 2,400 employees, has been on an expansion program that should see revenues this year reach close to \$1 billion—almost double last year's total. Ironically, the under performer among the five businesses has been Pan-Canadian Freeways—the company O'Brien ran for five years. CP's cost per mile at the price of create all this year, dropped out in order for the new month's rising bid, \$3 to \$22.4 million—a dramatic decline from \$215.8

million for the same period a year earlier. In the business community, O'Brien is widely admired for his ability to cut through complexity and identify the essence of issues. David's affinity concerns his intense focus on the future. The man behind the man and chief executive officer of the C.D. Howe Institute, who has known O'Brien since both were students at McGill University. "Once he sets goals, no one is more focused," O'Brien describes that quality in self-dealing terms.



CP's hotel in Acapulco, moving beyond old services.

## BEYOND TRAINS



"The last I had no little background in some businesses helped when I became CEO. I had to rely on people who really knew their stuff, and there was no danger of getting bogged down in small details."

O'Brien returns to his job the new self-identification of someone who has confronted a wide range of challenges—and succeeded at them. The son of a successful Montreal lawyer, he grew up in the wealthy enclave of Westmount, where one of the people he played hockey against as a youth was Calgary. I guess we were both pretty bad players," Calgary laughingly recalls. At age 31, a partner of O'Brien in housing grew up moved on the front page of *The Gazette* with a caption describing him as a promising fighter. Recall O'Brien's younger brother Peter, now a prominent Montreal lawyer

"Brothers always have about something with us, I was happy to get by at school, while David had to be top-of-the-world."

After graduating from Loyola College with an honors degree in economics, O'Brien finished near the top of his class at McGill—and also met his wife, Gail Corbett. She now teaches at the University of Alberta, and the couple have three children. Two, 36, a medical doctor; Matthew, 27, who is completing a Masters of Business Administration degree from University of Western Ontario in London, and Stuart, 24, who is studying law at University of Toronto.

As a Montreal corporate lawyer, O'Brien spent most of his late structure through complex business deals. In 1977, he moved to Calgary to become legal counsel, and later executive vice-president, of Pan-Canadian. That experience gave him his grounding in the oil industry. In 1986, after a brief and unhappy foray back to Montreal to join Novorex Inc., he returned to Calgary where he was offered the top job at Pan-Canadian. There, he built the company from about \$3 billion in market value to more than \$10 billion in less than four years. At one stage, Pan-Canadian was producing more than 80 per cent of CP's profit. That was the attention of professor William Strasser and the CP board of directors. After O'Brien was announced as Strasser's successor, and in the midst of speculation about which companies he would untangle, he quickly soured anxious employees in his first public meeting at Calgary's Palliser Hotel by saying: "Welcome to my hotel!"

Now O'Brien spends about three weeks of every year away from Calgary, travelling within Canada or to meet financial market representatives in New York or London. A policy-maker public, O'Brien is active with both the Business Council on National Issues and the Canadian Institute, as well as being company lawyer, including the Royal Bank and the Canada Ship Service. "CP is David's vocation public policy in his recreation."

Still, O'Brien remains most focused on his company. CP he says "will continue to grow and change." He is confident of his position that the company will move on to sell or spin off one of its companies. But analysts note that at the company's annual meeting in April, O'Brien said "Looking out over time, and he said I mean the next two years, we would expect probably to be in a leveraged position that we are today." The finding could contribute to the housing crisis. Pan-Canadian is also considered a likely choice. But as O'Brien's friends and competitors have repeatedly warned, his job is usually best to expect the unexpected. □

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Deirdre McMurdy

# Bailing out of mergers

The fight will never be acknowledged, the last remnants of the Bank of Montreal, Toronto Dominion Bank and Canadian Imperial Bank of Commerce should feel beholden to the federal Liberal caucus for its financing report of their proposed unions. The document, tabled last week, could play a key role in financing Ottawa to help the mergers. The document would allow banks to make transactions to save face, while lifting off the potentially disruptive mergers of the Royal and Bank of Montreal, TD and CIBC banks.

To some extent, the banks are victims of timing and circumstance in their failure to sell Canadians on their plans. Despite an expensive, expensive lobby campaign, there is a public backlash against consolidation in the wake of the Asian economic crisis. Exposure to volatile foreign markets—the very target of the merged banks—in now seems an increasing problem.

There is growing evidence to support arguments against huge, diversified financial service institutions. In Japan, Europe and the United States, complex, cumbersome institutions have proven ripe for restructuring. The consequences have extended beyond the bank sector into the overall economy. In some respects, from emerging market investments to derivatives and hedge funds, many of those banks have taken heavy losses.

Another problem that concerns partners attempting to absorb any business is that such a move can make them vulnerable to lawsuits. In Canada, the consequences of disparate assets and sometimes conflicting corporate cultures. Although quick savings may be realized by combining administrative operations and computer systems, real integration can be more painful and take years.

In the real banking sector, merger advocates talk about synergies in such areas as bad selling that is a practice by which customers are encouraged—often sometimes forced—to buy insurance or other financial products when they take out, for example, a mortgage at a certain rate. But that argument may soon become irrelevant since it is now a given that in Ottawa to amend Cana-

da's Bank Act to expressly prohibit bad selling by the chartered banks.

Another potential problem concerns the banks' leverage to capital markets. The leverage division of each bank has traditionally fought like first dogs over every scrap of business. Most of these divisions have only recently been integrated into the banks that acquired them over the past decade. Now, the prospect of blending the disparate styles of deal makers in BNC, Dominion Securities (owned by the Royal Bank) and Norbitt Burns (owned by the Bank of Montreal)—especially in a bear market—does not bode well.

At the same time, recent savings in share price have made it more difficult to assign fair value to the stock swap ratios on the table. That is evident in the CIBC and TD deal, where TD shareholders want the terms of the merger reassessed because CIBC shares have fallen significantly in value since the deal was first announced in April.

Second, the problem is the conditions that the government might attach to any merger. That of the logic for banks joining up is the huge savings that would re-

sult from ending duplication of administrative services, cutting branches and cutting staff. But the Liberal report would place obstacles in the way of all such steps and is inconsistent to the point of proposing more chairs in bank waiting rooms. If mergers mean more or rather than less administration and regulation, they lose much of their purpose, and attraction.

In January, when Royal Bank chairman John Cleghorn and the Bank of Montreal's Matthew Barrett first announced plans to merge, the notion that globalization is automatically good and that bigger is better seemed obvious. Now, that has changed as evidenced by the suspicion and antipathy with which Canadians greeted the merger plans. Finance Minister Paul Martin said that rule on the merger—and even before that, as all party MPs' committee has to weigh in. In the meantime, all fear of the banks are too far down the road to say to themselves that the mergers are no longer a good idea. How much more convincing if someone else does it for them.

# Business NOTES

## MORTGAGE RATES RISE

The Canadian Imperial Bank of Commerce, the Toronto Dominion, the Royal Bank and the Bank of Montreal raised their mortgage rates, saying they had no choice because they are paying higher rates in the long-term bond market, where they raise money to finance loans to savvier mortgagees.

## CIBC TAKES LOEWEN STAKE

After being pushed aside last month as head of the Loral services company he founded, Ray Loewen has now been forced to relinquish most of his shares in the firm. The Canadian Imperial Bank of Commerce, which had lent him \$222 million to buy common stock, has taken possession of 90 million shares, now worth \$120 million. Within days, the company announced a \$80 million third-quarter loss. CEO Robert Langford blamed Loewen's expansion strategy.

## CAR SALES STALL

Sales of cars, trucks and minivans fell by nearly eight per cent last month, compared with October, 1997. The biggest losses were General Motors of Canada Ltd., Ford Motor Co. of Canada Ltd. and Mazda Canada Inc. Analysts noted that the drop follows a year of historically monthly increases. In contrast, U.S. sales of cars and light trucks were up by 10 per cent.

## MARKETING BOARDS WIN

The preface of agriculture supply management has been signed by the Supreme Court of Canada in a ruling welcomed by marketing boards, which regulate production of commodities such as eggs, milk and poultry. The 7 to 2 decision confirmed the powers of the Canadian Egg Marketing Agency, which had sued to stop producers in the Northwest Territories from selling eggs in other parts of Canada without a license.

## LUVENTI'S LATEST DRAMAS

Toronto-based Luventi Inc. is abandoning plans for a \$60-seat theatre near Three Square in New York City. There were also reports that the firm will pull back from a proposed theatre-hotel complex in Toronto. Company executives in Georgia and Myron Gidlovsky were suspended last August. Trading in Luventi stock has been halted and the RCMP has confirmed that it has opened an investigation.

# Thumbs down for bankers

The banking community appeared stunned by a federal Liberal caucus report, which strongly rejected the merger plans of four of the country's largest banks. The report from a task force chaired by Toronto MP Tony Iacono concluded that the planned unions were unwise and that the banks' present circumstances, if they would be detrimental to the public interest. "The Royal Bank of Canada is seeking approval to unite with the Bank of Montreal, while the Toronto Dominion Bank wants to link up with the Canadian Imperial Bank of Commerce."

The task force also recommended that banks be prohibited from selling insurance from their branches, and that they make crisis service commitments, such as accepting their closing to small business and keeping branch closures to a minimum. Although the chairman of the four banks have given recent speeches justifying the mergers, bank spokesmen acknowledged they have done a poor job of setting positions and the public on their plans. It is now likely that the banks will push harder for approval, including stepped up warnings about the costs of not merging, according to that script, the banks will be overwhelmed by foreign competitors, forcing them to close branches, reduce services and lay off staff.



MP Iacono says banks are against the public interest

will buy Ontario's Alcanor division. The price of that purchase was not disclosed. Those deals were preceded by another merger just a few days earlier, when Loblaw outbid the country's third-largest chain, Provigo Inc. of Montreal, for \$1.6 billion. Ontario Group was founded in 1981 by two brothers, Alan and Maurice Wolfe, and grew quickly under the guidance of Michael J. Ray, who, in recent years, the company's profits have skunked sales fairly tightly.

## A supermarket binge

The trend towards consolidation continued to sweep the supermarket industry. Selkirk, N.S.-based Super King Co. Ltd., owner of the Selkirk Supermarket chain, struck a \$5.5-billion deal with the Canadian National Bank to buy Toronto's Oshene Group. Selkirk is a string of franchise IGA stores. Partly to avoid problems with the competition here, Loblaw Co. Ltd., the country's biggest chain,

# FINANCIAL OUTLOOK

There were more signs that the economic outlook for Canadians is getting brighter. Employment rose by a hefty 57,000 jobs in October, pushing the unemployment rate down to 8.1 per cent from 8.3 per cent the month before. The lowest level in eight years. Full-time jobs increased by a whopping 84,000. Sectors posting strong gains included construction and manufacturing. But a slump in commodity prices meant little improvement in primary industries such as forestry and mining. A surge in some world stock mar-

kets, coupled with interest rate cuts in North America and Europe, also fuelled predictions that Canada would record a major economic slowdown next year.

—BANK OF MONTREAL

## OUT OF WORK

The annually adjusted unemployment rate for selected cities for the period of August to October



"Although the pace of Canada's 10 provinces posted job gains in October, Ontario accounted for 33,000 net new positions—more than half of the total. In contrast, Alberta—which has posted the fastest job growth among the provinces so far this year—experienced a net loss of 10,000 positions last month."

—TORONTO DOMINION BANK

Source: Statistics Canada





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### Questionnaire

With the Madison's Florida Sweepstakes Questionnaire and Official Entry Form, must be filled out by all contest entrants in order for a chance to win.

- How many times have you vacationed in Florida in the past five years?  
0 ☐ 1 ☐ 2 ☐ 3 ☐ 4+ ☐
- How many different parts of Florida have you stayed in the past five years?  
Daytona ☐ Ft. Lauderdale ☐  
Lee Island Coast ☐ Miami ☐ Naples ☐ Orlando ☐  
St. Petersburg/Clearwater ☐ Other ☐
- When you go on vacation, do you usually take along children under the age of 18?  
Yes ☐ No ☐
- When do you plan on travelling to Florida?  
In the next 12 months ☐  
In the next 2-3 years ☐  
In the next 4-5 years ☐  
Never ☐
- How long in advance do you plan a Florida vacation?  
less than 2 weeks ☐  
between 2 and 4 weeks ☐  
between 1 and 2 months ☐  
between 3 and 6 months ☐  
6 months+ ☐
- (a) Do you use a credit card when vacationing?  
Yes ☐ No ☐  
(b) If yes, which of the following major credit cards do you use?  
VISA ☐ MasterCard ☐ American Express ☐ Other ☐
- Is Florida a good value? Rank the following:  
Shopping ☐ Excellent ☐ Good ☐ Satisfactory ☐ Poor ☐  
Restaurants ☐ Excellent ☐ Good ☐ Satisfactory ☐ Poor ☐  
Attractions ☐ Excellent ☐ Good ☐ Satisfactory ☐ Poor ☐
- Do you consider Florida an excellent vacation or compared to other sun destinations such as the Caribbean, Mexico or Hawaii?  
Yes ☐ No ☐
- How much would you budget for a Florida vacation in U.S. dollars?  
Under \$1,500 ☐ \$1,500 - \$3,000 ☐ \$3,001 - \$4,000 ☐ \$4,001 - \$5,000 ☐ \$5,001 - \$6,000 ☐ \$6,001 - \$7,000 ☐ \$7,001 - \$8,000 ☐ \$8,001 - \$9,000 ☐ \$9,001 - \$10,000 ☐ \$10,001 - \$11,000 ☐ \$11,001 - \$12,000 ☐ \$12,001 - \$13,000 ☐ \$13,001 - \$14,000 ☐ \$14,001 - \$15,000 ☐ \$15,001 - \$16,000 ☐ \$16,001 - \$17,000 ☐ \$17,001 - \$18,000 ☐ \$18,001 - \$19,000 ☐ \$19,001 - \$20,000 ☐ \$20,001 - \$21,000 ☐ \$21,001 - \$22,000 ☐ \$22,001 - \$23,000 ☐ \$23,001 - \$24,000 ☐ \$24,001 - \$25,000 ☐ \$25,001 - \$26,000 ☐ \$26,001 - \$27,000 ☐ \$27,001 - \$28,000 ☐ \$28,001 - \$29,000 ☐ \$29,001 - \$30,000 ☐ \$30,001 - \$31,000 ☐ \$31,001 - \$32,000 ☐ \$32,001 - \$33,000 ☐ \$33,001 - \$34,000 ☐ \$34,001 - \$35,000 ☐ \$35,001 - \$36,000 ☐ \$36,001 - \$37,000 ☐ \$37,001 - \$38,000 ☐ \$38,001 - \$39,000 ☐ \$39,001 - \$40,000 ☐ \$40,001 - \$41,000 ☐ \$41,001 - \$42,000 ☐ \$42,001 - \$43,000 ☐ \$43,001 - \$44,000 ☐ \$44,001 - \$45,000 ☐ \$45,001 - \$46,000 ☐ \$46,001 - \$47,000 ☐ \$47,001 - 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# Daytona Beach

## BIG BEACH! BIG FUN!

Do not miss the chance to enjoy the world's most famous beach. The Daytona Beach Area has been a favorite family vacation among Carolinians for generations. The area offers 37 km of wide, smooth, sandy beaches, mild climate and warm hospitality. And if you have not been to the Daytona Beach area lately, you will be pleasantly surprised at all there is to see and do.

For those who enjoy the thrill of NASCAR racing, a visit to Daytona International Speedway is a must. It has earned its nickname as The World Center of Racing and hosts the Daytona 500, the Pepsi 400 and a variety of other exciting events. Be sure to visit DAYTONA USA, the ultimate motorsports attraction, located on the ground of Daytona International Speedway. It offers a living history of stock car racing and the people who made it America's fastest growing sport. It features many interactive exhibits and a motion picture presentation that will take your breath away.

The Daytona Beach Area has become a major golfing destination with several new courses and more on the way. Daytona Beach is the new home of the LPGA and has built a magnificent signature golf course that is open to the public. LPGA International surrounds the new headquarters of the Ladies Professional Golf Association and is a challenging layout that will put you to the test. There are many other golf courses in the area, each with a distinct layout and character. Many of the area's courses offer special greens fees through the Golf Daytona Beach program. And if miniature golf is more your speed, you will have delightful parks to choose from.

Be sure to leave time for some other popular activities. Sightseeing river and ocean cruises. Deep sea and freshwater fishing. Parks, springs, rivers and lakes. Canoeing, rowing, boating, water skiing, parasailing and jet skiing. Boating sightlife. Wonderful restaurants. Museums, open air art festivals, galleries and historical sites. Live theatre. Casinos. Colorful shopping. Flea market. Farmers market. The champion Daytona Cubs, minor league affiliate of the Chicago Cubs. See one of the world's best collections of Corvettes, other vintage cars and motorcycles at Mark Martin's Classic Auto Museum. Or, for a taste of gritty competition, take a few laps at one of the area's go-kart parks.

Getting to Daytona Beach is easy with daily flights into the new Daytona Beach International Airport. For those who drive, Interstate 4 and Interstate 95 converge in Daytona Beach, making excursions to Walt Disney World Resort, EPCOT®, Sea World®, Universal Studios®, Kennedy Space Center and other attractions simple.

The area features great accommodations in all price ranges, from sophisticated hotels with restaurants and night clubs to smaller, more intimate lodging that offers great value.

For more information and your free Daytona Beach Area Visitors Guide, call the Daytona Beach Area Convention & Visitors Bureau at 1-800-854-1234 or visit our Web site at [www.daytonabeach.com/mia](http://www.daytonabeach.com/mia)



THIS WAS THE BEST VACATION  
YOU EVER HAD AS A KID.  
WAS NOT... WAS TOO... WAS NOT...  
WAS TOO...

It's amazing how your kids' hair-pulling, name-calling and boredom disappear during a Daytona Beach vacation. You're just a few sandy steps from swimming, fishing, golf and loads of other attractions.

Plus, we're within an hour's drive of Central Florida's attractions. Daytona Beach offers everything from large hotels to Superior Small Lodgings. To receive a free Visitors Guide and Superior Small Lodging Brochure call 1-800-854-1234.

Daytona Beach offers everything from large hotels to Superior Small Lodgings. To receive a free Visitors Guide and Superior Small Lodging Brochure call 1-800-854-1234.

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# Tallahassee

Tallahassee, Florida's capital city, is graced with deep-rooted history, rolling hills, canopy roads of moss-draped oaks and a charming Southern-style hospitality — a Florida few expect to find.

Conveniently located in Florida's panhandle 20 km south of Georgia between Jacksonville and Pensacola, Tallahassee is easily accessible by auto or air and offers a wide variety of affordable accommodations.

Tallahassee offers a vast array of historic, cultural and natural attractions, most of which are free to the public. Visitors can trace Florida's political past at the Old Capitol museum, observe the city from the New Capitol's 32nd-floor observation deck, come within arm's length of alligators lazing on the banks of Wakulla Springs — one of the world's deepest freshwater springs — enjoy a peaceful afternoon amid 160 floral varieties at Mackay State Gardens, explore a 26-hectare wildlife habitat at the Tallahassee Museum of History and Natural Science, stand under a 3-m tall mastodon at the Museum of Florida History, experience life in the 1920s at the Knott House Museum or explore Indian and Spanish settlements at Mission San Luis. Annual celebrations such as the Winter Festival in December and SpringFest Tallahassee in April bring the quiet city to life with parades, live entertainment, arts and crafts and more. Sampling plantations, visiting outdoor activities, extreme dining and shopping add to the countless ways to explore this intriguing Southern city.

For more information or a Visitors Guide contact the Tallahassee Area Convention and Visitors Bureau, P.O. Box 1065, Tallahassee, FL 32302. 1-800-428-2884 ext. 50 (850)413-9200. On the Internet: [www.tallahassee.com](http://www.tallahassee.com)



# Greater Fort Lauderdale

## IMMERSE YOURSELF

Greater Fort Lauderdale boasts 37 km of seawall beaches from Hollywood to Deerfield, 566 km of navigable inland waterways and pools that could satisfy the taste of Father Williams.

But immersing yourself in Greater Fort Lauderdale need not involve a single drop of water. Plunge into a culture as deep as the ocean. A culture characterized by Serenades and Broadway shows. Serious golf and whimsical water toys. Fusion cuisine and tasty jazz. And like the horizon here, the list goes on and on and on.

Those who make the trip south will find an even greater Fort Lauderdale. To warmly welcome Canadian vacationers this year, 30 hotels are offering special incentives to Canada — stay two weeks and the third week is at par.

All new this year — The National Car Rental Centre, home of the Florida Panthers hockey team, the IFAA World Fishing Center, the mega sporting goods store Bass Pro Shops, Outdoor World, and Las Olas Riverfront, the entertainment complex in downtown Fort Lauderdale's arts and science district, are all newly opened and Saks Fifth Avenue, the world's largest designer outlet mall, has expanded yet again.

The hotels in Greater Fort Lauderdale range from luxury resorts to a collection of distinctive small properties some of which feature full kitchens for extended stays. Great dining, year-round golf and tennis and some of the finest fishing available are a few of the reasons Canadians have been among the area's most loyal visitors.

For a free Vacation Planner and details on golf, scenic or pre and post cruise vacation packages, contact 1-800-22-SUNNY or visit us on-line at [www.sunny.org](http://www.sunny.org)



ell of boats that drive on water and rivers made of grass.

Tell of boats that dress for the holidays and dinner dates with the moon.

Tell of a city with more water than land and more putting green than lawn.

And if, in so telling, your clients should suggest perhaps you've been working too hard, show them the brochures.



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For a free Vacation Planner and Vacation Package reservations, call 800-22-SUNNY Ext. 603



# TALLAHASSEE

The Florida you've been looking for.



Florida's Capital City With its green rolling hills, deep-rooted history and gracious southern hospitality, Tallahassee offers a warmth, beauty and charm unique to the Sunshine State. Discover the natural, historic, cultural and recreational treasures of Florida in Tallahassee — the Florida you've been looking for, at a price you can look forward to.

Call today for your FREE Visitor Guide. 800-628-2866 ext. 50  
[www.tallahassee.com](http://www.tallahassee.com)

# International Healthcare Program Caters to Canadians in South Florida

Transplanted or vacationing Canadians in South Florida now have a uniquely understanding resource for medical care, thanks to the International Healthcare Program offered by Aventura Hospital and Medical Center along with its affiliated partner, Miami Heart Institute and Medical Center.

The program originated when hospital administrators and physicians recognized that Canadian patients could benefit from helpful services designed to accommodate their culture and concerns.

Of particular value is the availability of a full-time Canadian Services Coordinator to assist patients and their families. Other benefits include acceptance of Canadian travel and health insurance, a pre-registration program that ensures crucial medical information can be kept on file and a toll-free number (1-888-768-2691) so family and friends of patients can call the Coordinator for updates and information from anywhere in Canada.

There are services for Francophone Canadians as well, including French-speaking employees on-staff, translated forms, menus and other important papers, even French-Canadian TV in patient rooms! Also, to provide information on the latest advances in healthcare, monthly "Physician Health Chats" are presented in both English and French.

"We understand that receiving medical care in a place away from your home country can be an unfamiliar experience," says Jennifer Mercer, RN, BSN, the Canadian Patient Services Coordinator at Aventura Hospital and Medical Center. "That's why we offer three special services for the comfort and convenience of our Canadian patients."

For Canadian patients and their families, Jennifer can coordinate medical care, provide physician referrals, assist with insurance matters and answer any questions. She can also help with registration issues including air ambulance transportation if needed.

Both hospitals participating in the program have received recognition and acclivity for their quality, cost-effective care.

For three years in a row, Aventura Hospital and Medical Center has been ranked among the "100 Top Hospitals" in the United States in the annual survey by HCRA and Mercer. It has 407



beds, more than 700 physicians and a 30-year history of world-class excellence.

Among Aventura Hospital's comprehensive services are a Diabetes Program recognized by the American Diabetes Association, a Children's After-Hours Clinic open evenings and weekends, an obstetrics/gynecology unit (The Aventura Baby Center), a Pain Management Center, a Sleep Disorders Center and, coming soon, a Comprehensive Cancer Center.

The other participating hospital, Miami Heart Institute and Medical Center, is accredited "With Commendation" by the Joint Commission on Accreditation of Healthcare Organizations. It is a world leader in cardiac care and research, and offers a full range of other services as well.

For Canadians with heart concerns, Miami Heart Institute features the finest in cardiac diagnosis, preventive care, rehabilitation and treatment, including the most advanced surgical procedures.

Both hospitals have full-service emergency departments staffed around the clock by skilled personnel and equipped with the latest technology, including Chest Pain Centers.

Jennifer Mercer will be pleased to provide Canadians with more information about the International Healthcare Program and each hospital's services. For a free brochure, please call her toll-free at 1-888-768-2691.



Aventura Hospital and Medical Center



Miami Heart Institute and Medical Center

## it's good for your health!

For decades Canadians have visited Florida to enjoy the warm, healthy climate. When you trust your medical needs to Aventura Hospital and Medical Center or to Miami Heart Institute and Medical Center, you're sure to find that South Florida is indeed a healthy place to be.

We know the thought of going to a hospital far from your home country can be stressful. That's why we provide special services like these for the convenience of our international Canadian patients.

Together with our affiliated partner, Miami Heart Institute and Medical Center, we care for Canadians with:

- Canadian Services Coordinator and bilingual French/English-speaking employees to assist you and help you feel more at home.

- Translated forms and menus and French-language television in patient rooms.
- Acceptance of Canadian travel and health insurance along with private insurance like RAMQ, OHIP.

- Pre-Registration Program with enrollment forms that can be mailed or faxed to us to have your medical information on file in case you need our services.

- Toll-free number (1-888-768-2691) accessible from anywhere in Canada.

- Physician Health Chats offered monthly in French and English.

On your next trip, stop by Miami. It's good for your health!



AVENTURA HOSPITAL AND MEDICAL CENTER  
MIAMI HEART INSTITUTE AND MEDICAL CENTER

Call Our Canadian Services Office toll-free from Canada at 1-888-768-2691 or locally in South Florida at (305) 682-7216 • (FAX) (305) 682-7815

# St. Petersburg/ Clearwater

Just 90 minutes from Walt Disney World® and only 50 minutes from Busch Gardens®, you will find the St. Petersburg/Clearwater area – all the best of Florida in one great beach location.

Nearly 55 km of snow-white beaches are ranked as some of the best in the nation. The sparkling Gulf of Mexico offers great boating, snorkelling and an exhilarating variety of water sports, including some of Florida's best fishing.

Golfers will find over 100 courses in the area. And if you are a viewer and not a doer, the NFL Buccaneers, the NHL Lightning and Major League Baseball's new Tampa Bay Devil Rays offer the excitement of professional sports.

But St. Petersburg/Clearwater area has its cultural side too, offering a wide array of exciting museums and year-round festivals, theatre events and symphonies.

Dining and shopping provide a world of options: from grill-up-your-boat casual to posh-on-the-beach elegance. There is a myriad of culinary choices to satisfy palates-pleasing variety to suit every taste.

If you are looking for a Florida vacation, it is the best place to stay in the state. And with special vacation packages, you can enjoy a great beach hotel for three nights and four days, plus get tickets to Busch Gardens for just \$119 (US).

For reservations, or a free Visitor Guide, call toll free: 1 (877) FL-BEACH  
Or, visit us online at: <http://www.stpete-clearwater.com>



# Florida

Florida charms you with its romantic assets, accommodating climate, dazzling beaches and seemingly endless entertainment options. Florida is unquestionably Canada's favorite destination for any age and interest. Its beaches are legendary and annually rank among the finest in the country.

Florida, always dependable, always offering great value and always surprising you with something new and exciting. The vacation options are endless and Florida is always budget friendly.

World-class theme parks and attractions thrill visitors of every age. Scenic trails, rivers and springs are ideal landscapes for solitude or outdoor fun. Archeological sites, historic buildings and towns from the European exploration era and space age wonders will delight history lovers.

Shoppers will delight at unique shops offering out-of-the-land treasures and plentiful shops-modern shopping malls. For more active interests, Florida's game trails are top rated, salt and freshwater fishing is unmatched, there are more golf and tennis facilities than anywhere else in the United States and there are water sports galore.

With all of these temptations, the best place to start planning your Florida vacation is by calling toll free, 1-888-FLA-INFO and ask for your free copy of the Florida Vacation Guide and your Florida Sunshine Savings Guide. Or check out all the sites on the Internet at [www.flusa.com](http://www.flusa.com)

Florida... you never really leave this place, you just go home for a while.

## Want Just A Vacation?



## Or The Time Of Your Life?



All From  
Just \$119\*

Enjoy the top beaches in the US with Florida's attractions minutes away. Get a 4-day 3-night beach vacation with Busch Gardens tickets all for just \$119\*! For reservations or a free Visitor Guide, call toll free 1-877-FL BEACH (1-877-352-0234).

\*U.S. Dollars Per Person Double Occupancy Reservations Apply

  
**St. Petersburg  
Clearwater**  
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## A risky port in the storm

Although North American stock markets have stabilized in the last month, posting a vigorous 29-per-cent gain, investors of mutual fund owners remain profoundly unsettled. And who can blame them? After heart-stopping losses in the third quarter—in which a 25-per-cent drop was not unusual for portfolios heavily weighted in stocks—investors are casting about for a way to reposition their returns. There are the usual points on a menu, including safe but unexciting GICs, bonds or balanced funds. But a relatively unknown species, so-called bear funds, is also getting more attention. Mostly on the sharing stocks—borrowing stocks from a broker, selling them, and then putting in the stocks after the price has fallen—to earn strong returns in bull times. In August and September, that strategy paid off handsomely when bear funds led the pack. But they have their problems: since stock markets generally rise over the long term, bear funds typically have lower returns over lengthy time periods compared with other fund types. That makes them extremely risky, and most financial advisers say only sophisticated, well-informed investors should consider them. "It's a very hot concept with lots of one appeal," says Toronto-based mutual fund adviser Duff Young. "But in actuality there aren't that many ap[er]tly they're kind of weird—the idea is interesting, but scary."

Of course, companies that offer such funds do not see things quite that way. The fund of Borden's is one of the few financial institutions to offer bear funds in Canadian dollars. The funds, which track stock market indexes in several world markets, including the United States, Germany and Hong Kong, move in a direct, inverse relation to the indexes, as prices decline, the funds' returns rise. Eva Karpela, head of mutual funds for the bank, agrees that its Global Manager bear funds—sold in Canada only to those willing to put in at least \$150,000—are not for the average investor. Since bear funds do much only in weak markets, it is crucial to know when to head for the exits. "The risk," she says, "is, if you don't know when to get out, you will lose all the returns that you made on the previous cycle. It's a market game plan." But such funds can be well suited to those who are confident they can predict when a bear market will begin, and end. For such investors, a bear fund is a "very consistent instrument," Karpela says.

Bear funds are attracting widespread attention in the United States after posting stellar performance during the market's recent slide. The Prudent Bear Fund, run by Delaware-based money manager David Tice, was the



Readers at the New York Stock Exchange market turmoil has given bear funds a boost

top-ranked U.S. fund between mid-May and mid-October, with a gain of more than 23 per cent during that period. Tice, a longtime market strategist, is calling for a long, deep recession, with troubling corporate profits and massive job losses that while he looks for a victory over his adversaries appears less impressive in the context of his fund's overall performance. Established in 1996, the \$245-million fund has lost about a third of

its value since then. During the same period, the widely watched Standard and Poor's 500-stock index has climbed by 90 per cent and the fund's performance so far this year is still unimpressive, down 12.3 per cent.

There is one situation, though, where a bear fund might have a long-term advantage: when markets tank. "You'd be willing to accept a long-term loss or even negative rate of return because of the diversification it gives you," Karpela says. "It's a nice cushion in a bad market." He doubts bear funds will become a common offering at institutions, such as the big banks, where the services in

vestor buys mutual funds. "It's a tough sell for the marketing department," Karpela says. "You've got that bear fund that keeps showing up during a good market with these horrible numbers. It's embarrassing to the fund, even though they may be perfectly transparent about their objectives." There are still no easy answers, it seems, when it comes to choosing between playing the market and playing it safe.

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## Peter C. Newman Clinton-Chrétien parallels are bizarre

**B**ill Clinton was involved in a drug scandal, and didn't while, he was involved in a financial scandal and lost money, he was involved in a sex scandal but didn't have any.

Yet last week he pulled off a remarkable political upset. The blame for the troubles he caused his own administration, didn't end up in his lap. Instead, the Republicans who wanted him impeached were punished for their insolence. In the best academic show since 1834 the last time a party controlling the White House also picked up seats in the Congress, the Democrats triumphed in many unexpected victories. It was an astonishing result. The 47 million Americans who voted Clinton agreed the fact that the President admitted he had led under oath to a grand jury and had repeatedly cheated on his wife. Dick Willie has triumphed again.

Canada's political situation reveals some surprising parallels. Apart from any sexual overtones, Jean Chrétien's recent behavior doesn't raise much higher on the political sanity meter than Clinton's. After five years of mind-numbing inaction, interrupted by the odd burst of success by inadvertence, the Prime Minister has recently been giving out jobs of conspicuous ignorance. He couldn't stop joking about students staging legal campus protests taking him their eyes at all while with pepper spray. When the sailor at sea earlier reached Monopoly levels, Chrétien reacted with one of his "I don't worry, he happy" pronouncements. Only three days into the Quebec election, the PM casually welcomed Jean Charest's Liberal campaign by defending the constitutional status quo. Despite these and other blunders, Chrétien's popularity ratings remain unassailably high (between 50 and 60 per cent), as does that of his cheater? American cousin on the Potomac, whose performance in the Oval Office currently rates a 67-per-cent positive response.

The shattering results of last week's American elections revealed other similarities in the historic politics of our two countries. The most significant of these is that, given questionable alternatives, voters will support incumbents, no matter how dubious. At the moment, the only new face on Canada's political horizon is Joe Clark's, whose one who has been assigned Ottawa for more than a quarter of a century. Canadians remember him as a politician without belt or sash who will cover set the world on fire, except by accident. Opposition Leader Preston Manning, meanwhile, remains as an unpalatable option to the voters of Quebec and Ontario. Despite his best efforts, he seems to be marching his party backwards, setting default from the point of victory.

In the United States, the Republicans were so blinded by their lust for Clinton that they forgot elections, especially last week's contest, ought to be about policies for the 21st century. (This is an

surprising, since they have yet to make it into the 20th.) With a little 870 million longer than the Democrats' and the expectation that the sex scandal had turned the second-term lame duck president into a dead duck, the GOP seemed to have better odds than they could increase their congressional majority. Instead they lost five House of Representatives seats and a governorship and made no yards in the Senate. Except for the victorious Bush brothers, they ran an unloved, disparaged campaign. In contrast, the Democrats placed the overhaul of social security for the baby boom generation—surely kitchen table issue—at the top of their agenda, and never let up.

Another similarity between U.S. and Canadian politics is the blue voter phenomenon. While the federal Liberals have traditionally depended on Quebec for support—the only province that until recently voted Rouge as a bloc—the Democrats have drawn a similar following from African-American Americans. Last week, in most recent elections, blacks voted solidly Democrat. In Alabama, for example, defeated Republican governor Fob James put five per cent of their votes, compared with the 35 per cent for his victorious rival, Democrat Don Siegelman.

Probably the main reason both Clinton and Clinton are safe in their jobs is that despite the stock market's volatility, the North American economy remains in an upswing. South of the border that amounts to something of a boom, with car and truck sales poised to set a decade-long record in 1998 of more than 16 million units. Las Vegas, Nev., the nation's loveliest spending capital, has launched an \$11-billion hotel and casino expansion program—this year's winners will top 30 million, the equivalent of Canada's entire population. Boston, where I spent last week, is in the midst of a red-hot building boom so intense that cranes have had to be brought in from as far as Mississippi.

The American voters' current mood is a mixture of grassroots wisdom and self-serving expediency, best described by Nicholas Lemann of the *Atlantic Monthly* as cracker-barrel pragmatism. That's probably a fair take on most Canadians' outlook as well. With no viable alternative to Liberal domination, they are happy for Jean Chrétien to take his over-the-hill night after the millennium celebrations. Only then will it be clear if the political right can hold an acceptable option, as if the Liberals, under different command, can lead us into the 21st century.

Meanwhile, last week's American election clearly indicated voters are against extended presidential impeachment hearings. Any political circus that interferes with a vibrant economy will not be tolerated. Though he seems safe from serious persecution, Bill Clinton may still face lesser punishment. The basic annual Washington these days is that he may be sentenced to 20 hours of tanning to atonement will while Monica Lewinsky lectures him on the dangers of American foreign policy.





# WHISTLE-BLOWER

**A top researcher  
says a drug under  
trial poses a  
risk to patients**

OLIVIERI (RIGHT) WITH SICK KIDS' COLLEAGUES  
AND ALLIES HELEN CHAN AND PETER BURKE:  
The arrangement, scarious whisp  
campaigns against her, says Olivieri, is "harsh,  
insulting and completely unfair"

**The drugmaker  
threatened legal  
action against  
its critic**

**SICK KIDS' CEO STROPHOLINI:**  
"Look, we have the largest research institute  
in Canada and [the drug manufacturer]  
Apotex is a big player. We wouldn't  
sell our soul for Apotex."

BY JANE O'HARA

**D**r. Nancy Olivieri, a blood specialist at the Hospital for Sick Children, was working in her ninth-floor office overlooking Toronto's "hospital row"—three blocks along, both sides of downtown University Avenue, that one home to several of Canada's best-regarded medical facilities. It was 2:35 p.m. on a brisk day last March when her beeper went off. The message was from a nurse at the hematology clinic on Ward 8D, where Olivieri treats young patients with thalassemia, a rare blood disorder that causes severe anemia and is fatal if left untreated. Olivieri called the clinic and heard from the anxious nurse that a woman had asked to look at the doctor's patient charts. "I told her it was OK," said the nurse, "but now I'm not so sure." Olivieri recognized the woman as a research student of one of her colleagues who had disagreed with Olivieri publicly over her research findings into a drug she was studying. Fearing that the student was trying to steal her latest research results, Olivieri told the nurse: "Keep her there. I'll be right down." But by the time Olivieri could race down a flight of stairs and into the clinic, the woman had dropped the charts and fled.

Of those who made the suspicious run to her charts, Olivieri says dismissively: "They think that kind of behavior is acceptable in acade-

mic medicine." In fact, from Olivieri's perspective, the incident was just one of many shabby scenes in a hospital watershed that began two years earlier. That is when she reported to Apotex Inc., a Toronto-based generic drug manufacturer, that a new thalassemia medication she was testing for the company was harming some of her patients. When she said she wanted to halt the program, Apotex vice-president Michael Sporn threatened legal action if she broke a confidentiality clause in her contract with the drug company.

Olivieri ignored Sporn's demands—and an all-out war erupted that has since divided the serene and increasingly tension-laden world of clinical drug trials. It pits the 44-year-old Olivieri, backed by a presti-

gious group of scientists at the hospital and elsewhere, against Apotex and her own hospital administration, which refused to back her. Side Chairman's CEO Michael Strofolini rejects the notion that his hospital—with a \$90-million research budget—has sold out to Apotex, from which it received \$100,000 in research grants last year. "Look," he said last week, "we have the largest research institute in Canada and Apotex is a big player. We wouldn't sell our soul for Apotex."

Still, the fever has the research community hotly debating the potential for corporate patients to manipulate scientific results. With hospitals and universities around the world becoming increasingly dependent on money from the pharmaceutical industry, the Olivieri case has shone a spotlight on the conflicting pressures facing medical re-

**COVER**

searchers trained to pursue the truth. "People are talking about this case everywhere," says Dr. David Nathans, one of the world's leading experts on rhabdomyosarcoma and president of the Dana-Farber Cancer Institute in Boston. "If this had happened at a half-baked hospital, we all would have shrugged. But this is Sick Children's, one of the world's greatest hospitals."

All parties claim to have science on their side, but the pug between the disputants is enormous. "The leadership of this hospital has all gone corporate," declares Olshen supporter Dr. Brenda Gallo, a senior scientist at the Medical Research Council and head of a cancer and blood research program at Sick Children's, commonly referred to as Sick Kids. "There's two academic voices left except for the rebels who finally get annoyed enough to do something about it. And then we get marginalized as true biomedicals."

Strohlein, however, takes "joint corporate" as a complement. An accountant and former NFL linebacker who ended his football career with the CFL's Hamilton Tiger Cats in 1979, Strohlein speaks with the intensity of a football coach. He says Gilman—"this poor little innocent entrepreneur"—has gone through "support" and "training" that is designed to protect management style and "get him fired." Not paranoid, he said, adding that he recently instituted a system that annually evaluates all the medical staff according to demanding performance measurements. "We've instituted significant change," said Strohlein. "Our goal is to be the best hospital in the world, so be sure you're the best person in the world. It's going to give us the money." Do you think he's come into Canada as an entrepreneur?

But it is precisely these commercial influences that worry Yasuno. Mr. Robert Rungano, a clinical pharmacologist who conducted clinical trials for drug companies for 20 years, Rungano now works for the Therapeutics Institute at the University of British Columbia, a privately funded research body that monitors how the pharmaceutical industry markets its clinical trials to doctors and the public. "There are all sorts of coercion," says Rungano. "There's tremendous pressure from the industry, because of all their deadlines and the speed with which they're trying to get things to market. They are doctors who can turn interests over. It's a lousy environment."

Apotex officials refused to comment on their dispute with Olvion. But in a letter to Maclean's last week, the company said, "Apotex has taken great steps to ensure it has conducted itself appropriately." It accused the Olvion's supporters of "affirming this period to get their message, which is inaccurate, to the public through the media. The press has failed to present a balanced viewpoint."

Apotex's professional organization, the Canadian Drug Manufacturers Association, representing Canada's 15 generic drug manufacturers, similarly refuses to comment. But the Pharmaceutical Manufacturers Association of Canada, a powerful, 62-company umbrella organization that speaks for the brand-name drugmakers, says the dispute has given Canadians the mistaken impression that such incidents are common. "The problem," says Chris Ward, PMAC vice-president

RANKING (LEFT) AND THERAPEUTICS INITIATIVE COLLEAGUES, DRs. JIM WRIGHT AND CARL WHITEHEAD, full circle of conversion

of strategic planning and communications, "is that this company [Apexis] is now suddenly deemed to be representative of an entire industry." It would be a shame, he adds, if Canadians concluded that private investment in medical research is a bad thing.

The statute draws fire in the medical community—even those who have not taken sides in the Sick Kids' lawsuit—say it has already been a public relations disaster for the 125-year-old institution with a proud reputation for academically very smart researchers. "I said Dr. Alton was in chief at Mount Sinai Hospital, across University Park Children's," Burger shot. "The confidentiality agreement the hospital's financial interests [in drug companies], target about the pharmaceutical companies' interest in the right thing to do in the case? How could someone use it to protect children from harm ever be wrong?"

many birds don't buy that argument. Obviously the sharp legal threats from Apotex, suffered frequent backlash, but 20% of her clients refuse and send the subject genes and animals. In a display of the lengths Olmsted is willing to go to to blacken her name, three people telephoned her to complain about her character. They said they felt so bad when they learned the magazine was planning a story on ethics the hospital accused her of stealing money from, trying to get patients unethical, and sleeping the accounts who looked forward on her research. She sent links to Apotex (sharply relieved) to the Harvard specialis as "Miss Olmsted." Said the third caller, who never met Olmsted, "She's known to have a burning interest to give companies, he said, he couldn't."

"This is a common ploy used to discredit individuals, as used anonymously behind their backs," she says she suffered herself a troublemaker. One of the "overseers born to a Roman pediatrist and his wife," she found at the Catholic girl's high school the student

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# WHAT

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Sick-kidney-risk physicians such as Dr. Miriam Kaufman, who treats adolescents at the Hospital for Sick Children, wonder if they can trust what they read in the literature. "If drug companies can control research," she

As one factor over alleged drug company interference in research demonstrates, concern over the potential for abusing the process is rising. But for all the looming issues that beset new drug development, clinical testing remains the public's best protection against medications that can harm instead of heal.

Year	Value	Change	Label
2009	\$230	52%	Politeness only
2011	424	74%	Politeness only
2012	495	78%	Politeness only
2013	513	80%	Politeness only
2014	537	82%	Politeness only
2015	763	88%	Politeness only
2016	824	90%	Politeness only
2017	901	92%	Politeness only

As complicated and costly as the process is, clinical drug trials have undergone explosive growth in the past decade, as drug companies use sophisticated technology to bring new products to an increasingly health-conscious North American public. According to the Wash-

## Patients in the drug trial seemed to accumulate dangerous levels of iron

says, "we're stuck in clinics." Kaidan acknowledges that it can be hard to avoid drug-company money in the research field—she once took \$1,000 from one company (and bought a computer with it) for delivering a speech at a conference. But she started her talk, she insists to ask, by saying she was not there to endorse any company's products. On the other hand, Kaidan does not want to be thought of as anti-drug. "Look, I'd be without drug company," she says. "I have an affidavit in self-defense and I have to take steroids. My own life is dependent on medicinal drug companies."

Recently, she was approached by a drug company to fund patients into a marketing study—to see which pack aging patients preferred. Kaidan was told she would receive between \$100 and \$300 as a "finder's fee" for every patient she recruited for the study. "I said, 'No,'" she says. "I'm not going to do this to have to pay people for this." On the rationale that it is unethical to trade in patients for money, the faculty of medicine at the University of Toronto set down a guideline last April stating: "Finder's fees are defined as money or other personal rewards simply to identify potential subjects for a study in a clinical trial.... The offer or acceptance of a finder's fee is prohibited."

But finder's fees are small change compared with the money that hospitals and universities receive for taking part in drug trials. On top of the finder's fee, their researchers can be paid for conducting the trials: the institutions charge an administrative fee—ranging from 25 to 40 per cent of that cost—for providing heat, light and lab to the investigators. This year, Vancouver Hospital and Health Sciences Centre, for instance, played host to 250 drug trials for which it received \$8 million, roughly \$1.5 million of which was in administrative fees. At the University of Alberta, physicians Paul Hux, chairman of the working group to develop clinical trials in the Edmonton area, says drug companies will pay between \$6 million and \$10 million to the university to conduct about 150 drug studies this year. May, who been doing trials for drug companies for 15 years, says it is common for investigators to pad their budgets by 10 to 20 per cent, to allow them to do research in other areas that are not necessarily of interest to the drug companies. "We don't always do what they [drug companies] want us to do," he says.

As a time when a government funding for hospitals and universities has fallen, administrators welcome that equidistant source of income. But experts in the field are also concerned that all the cash swirling through the system, and all the potential conflicts of interest that go with it, create greater need than ever to protect the interests of patients, the patients' reps in clinical trials. "Research within these institutions is now a big business," says Pierre Deschamps, a law professor at McGill University, who adds that at one Montreal medical institute 70 per cent of all patients are recruited into drug trials. "And it is becoming increasingly expensive for hospitals to hospital and drug company to country," says Deschamps. "We more and more research money comes in, there is more pressure put on nurses or residents to recruit patients into trials."

The issue of money—who's making what—is a critical one for people



MALMISTO WITH INFUSION DEVICE.

"I was happy, in my God, to say, 'No, no more needles!'"

monitoring the research business. "There's the scientific side of the business," says Jack Williams, CEO of the Institute for Clinical Evaluative Sciences in Toronto. He has been assessing the protocols for drug trials for 40 years to make sure they meet clinical standards. The overwhelming majority of clinical drug trials, he says, are designed by the drug companies themselves—not by the doctors who act as principal investigators—with the goal of meeting the requirements of the regulatory agencies. And in most cases, he adds, the project is not pure research but simply a study designed to get approval of a topical medication that has enormous profit potential for the leading drug company. "I think universities have to wonder how much of this they should be doing," says Williams. "How much is scientific research, and how much is just industrial work?"

**P**atricia Marmorek, now 16 and a Grade 11 student at Toronto's Dante Alighieri High School, clearly remembers the day in 1993 when Connor told her that a promising new drug could revolutionize the treatment of thalassemia. If Apotex's product—known as LI, or deferoxamine—worked, the disease could be managed with a once-a-day pill. Marmorek needed no encouragement. Since the age of 4, when she was diagnosed with the condition, her life had been highly circumscribed by the once-daily, bed-long, blood transfusions every six to seven weeks and nightly infusions of a drug called Deferal, dripping slowly into her arm or leg while she slept. Distasteful, it has cost her many lives, but it is extraordinarily hard to take.

"When Dr. Olver told me about LI," says Marmorek, "I was happy, oh my God, so happy. No more needles." But in September, 1995, she and Dr. Gary Benichou, a world-renowned American expert on iron metabolism, became alarmed after looking at liver biopsies from her patients taking LI. This in some samples was so precariously high that it posed a risk of heart disease and early death. With her liver in danger of accumulating dangerous levels of iron, Marmorek had to go back to the needles and infusions. They knew "the fabled cure" of her arms so badly scarred, she says, that her father, Sebastian, can't bear to look. "He usually mad sometimes that I have to do it," she says. "If I show him my scar and tell him it hurts, he can't take it. He just walks away."

Disappointed, Olver tried to call off the trial. But at Apotex, the reaction was different. For six months, Olver wrote letters to the company's senior vice-president, Michael Spino, to warn him of her concerns. Spino responded in late 1995 and early 1996 that Apotex did not agree with her findings. He insisted that she keep testing the drug not only on her patients in Toronto, but at three centres in Italy with 187 patients, which Olver was also overseeing. Spino reminded her that she had signed a confidentiality agreement with Apotex that prevented her from publicizing her results without the company's permission. "OK, people say I'm stupid for saying that contract," Olver says. But

there was no process in place at the hospital in 1993 to review the details of contracts. Now, as a result of that dispute, new policies are in place to review contracts.

In frustration, Olver approached the hospital's Research Ethics Board—set up to protect human subjects in medical experiments—to report her concerns. There, Dr. Stanley Skolnik, chair of the REB, told Olver to change the consent forms for patients and in the trial in order to make them aware of the potential risk of iron buildup. And he had her report their findings to Olver's Drug Decision, the regulatory advisory at the Health Protection Branch responsible for regulating drug approvals.

Informed of the REB's decision, Spino quickly ended the Toronto trials of LI and fired Olver as the lead investigator on the international study. He threatened legal action if she went public with her findings. She did have to sue the administrators of the Hospital for Sick Children to sort her dispute with Apotex, but without success. The hospital eventually, which includes the head of pediatric and the head of the research institute where Olver works, refused to get involved, maintaining it was a scientific controversy best settled within the scientific community. The hospital pointed it was not influenced by the hundreds of thousands of dollars it received from Apotex last year, or the fact that owner Sherman is considering donating a further \$50 million to the University of Toronto—for which Sick Kids is a teaching hospital.

As a new medical building. When the controversy first became public in August, the hospital's executive maintained a public silence. But on an internal memo to staff in mid-October 1996 (e-mailed to scientists all over Canada), it made its position clear: "Both Apotex and other scientists involved in the LI trials," it stated, "disagreed with Olver's interpretation of the data." And Olver, by her close group of supporters—Dr. Brenda Galin, Peter Dune, John Dicks and Helen Chiu—called for an independent inquiry into how the

institution handled the controversy. The hospital executive originally said they agreed to allow an internal review. After months of review by the Olver group, the executive finally relented, on Sept. 7, the board of trustees appointed Dr. Arnold Nusskern, former president of the University of Montreal, to conduct an independent inquiry.

Originally, the Olver group proposed Nusskern, now a University of Montreal professor of medicine, but when they discovered a day later that Apotex had donated \$100,000 to the university, Nusskern was president, they insisted on having two other panelists join the review. Last week, that process came to a standstill when the board and the Olver group could not agree on who the two panelists should be. Still, Nusskern said he would present a report to the Sick Kids' board by Nov. 30—even if it is unable to find with every concern. "This issue needs a systematic review," he says. "But my report alone may not do justice."

Meanwhile, Olver continues to worry about LI. In January, she will deliver a paper to the American Society of Hematology, describing an adult male patient on LI who now has severe heart problems—a direct result, she says, of the drug. Like all whistle-blowers, Olver and her supporters have paid a heavy price for speaking out about what many in the research community believe to be the critical issue facing scientists in Canada. As governments keep a lid on research funding to universities and hospitals, industry will take control of the pursuit of knowledge. It is a situation that John Polansky, the University of Toronto's 1989 Nobel Prize winner in chemistry, does not think Canada should have to live. "There is no age of ignorance," he says. "Polansky, an outspoken supporter of Olver, "we need exclusives in our society where the views that are expressed have not been purchased." As medical research becomes increasingly dependent on drugmakers, their ideas seem to fade from sight.

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# PRESSURE POINT

Federal researchers say drug companies push hard for approvals

BY JOHIN DEMONT

**T**hree gray, weary faces told the tale: the five Health Canada scientists clearly did not relish sitting at the table in the crowded Senate committee room in mid-October. But since their bosses at the Health Protection Branch had already tried to silence them with orders not to talk to the media, a hearing before the Senate Standing Committee on Agriculture and Forestry offered a chance to go public with their story. And what a story it is, according to letters like a parasite-driven X-File. Last year, stolen scientific files critical of drug companies—its alleged battle by a giant multinational drug company—all in tended: the scientists claim, to pressure them into approving faster growth hormones, a drug designed to increase milk production in dairy cattle. Unabashed editors carved in at what they heard, and promised to investigate the allegations. "It seems to me there was something very serious going on," concluded Saskatchewan Liberal Senator Stuart Sparrow.



**CHOPRA (STANDING) AND OTHER HPA SCIENTISTS, alleging undue influence in the drug-approval process.**

Something clearly is going on at the HPA: the drug-manufacturing industry has found loopholes in the nation's main line of defense against unsafe medications, food and medical products. Under fire for almost a decade, news and coverage of the four-decade-old HPA—with its 2,000 employees and 40 laboratories across the country—is under public scrutiny as never before. And the attention is coming at a 605-colt year for the agency, now in the midst of a massive, fundamental overhaul of the way it functions. Ian Shapiro, a Health Canada assistant deputy minister in charge of the HPA transition, calls it a "process of renewal" intended to modernize and strengthen the branch for the challenges of the 21st century. Critics call it a cover-up for the drug companies that must spend record amounts on new products.

In recent months, Shapiro has emerged as an articulate defender of the beleaguered HPA, constantly assuring Canadians that the agency is fully capable of safeguarding their health. "Everything we are doing," he told *Maclean's*, "is designed to make us better able to live up to our health and safety mandate." As for the faster growth hormone controversy, Shapiro says the mere fact that it has not received a green light for distribution over after years of testing shows that the system works.

But his reassurances have done little to calm critics inside and outside the branch. Instead of seeing the restructuring as a possible solu-

tion, they fear it will result in a further weakening of what they view as the agency's already shaky powers. "What we are seeing is chilling," says Kenneth Chou, a critic who is chairman of the Ottawa-based Canadian Health Coalition, an umbrella group representing the health interests of vulnerable sections of society. "Who is going to look after the safety of Canadians?"

Such concerns stem from well-documented blunders. One centered on the tainted blood scandal, in which tens of thousands of Canadians became infected with the AIDS virus and hepatitis C in the late 1970s and early 1980s. Last November, after a year-long investigation, Justice Horace Korman of the Ontario Court of Appeal placed part of the blame on his mismanagement of blood products by bureaucrats at Health Canada's Bureau of Biologics, which falls within the province of the HPA. Then, the RCMP is investigating the HPA's association with another health scandal—the approval for use in Canada of silicone-filled breast implants. They were taken off the market in 1993 after some patients experienced autoimmune problems that they associated with silicone leakage.

The lessons for the branch's image problems has sharpened since the resignation in 1996 of Michele Dail Edwards, an Ottawa pediatrician who, during 15 years at the HPA, was the senior physician responsible for drug approvals. She left in a dispute over a controversial heart drug, milrinone, claiming that department officials ignored adequate research that suggested the drug could actually cause heart attacks if used over a long period of time. "I had seen enough to know



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that I should not be part of what was going on there and that I should not be silent about it," says Dr. Edwards, now a consultant in Ottawa.

The department fought back. When Dr. Edwards called for a public inquiry into decisions making at Health Canada, Joe Lanoie, an assistant deputy minister, had her confidential personnel files delivered to him, deepening her suspicions that the department had begun a smear campaign against her. Federal Privacy Commissioner Bruce Phillips publicly rebuked Lanoie last July for violating the federal Privacy Act, although he found no grounds to conclude that her old employer had launched a smears against Dr. Edwards.

Now, bovine growth hormone is at the centre of the latest allegations that the HPR is pushing through an unsafe drug without proper testing. Manufactured by St. Louis-based pharmaceutical giant Monsanto Inc., it was approved in the United States in 1993, but it still awaits the green light in Canada. The six Health Canada scientists given the job of assessing the drug say they faced repeated hounding in a complaint filed with their union in December 1997, they talk of a steady stream of threats, harassment and intimidation from superiors who wanted them to sign off on the drug, knowing full well they still felt strongly that it had not been adequately tested. Their particular concern is the possibility that the hormone treatment raises the level in milk of a protein called IGF-1, which has been linked in patients with breast and prostate cancer. As they told it, their bosses played hardball, shifting them malcontents and shuffling them into other jobs unrelated to the bovine growth hormone when approval was not forthcoming. On Sept. 16, the researchers formally took their complaints to the Public Service Staff Relations Board, which investigates public service grievances. By then, HPR administrators had ordered them not to have any contact with the media.

Before accepting an invitation to appear before the Senate committee last month, the scientists obtained written assurances protecting them against reprisal. The Senate, moreover, balked at the HPR's request to send a senior official to monitor their testimony. The star witness is 15-year HPR drug researcher Margaret Hayden, who said in a one-verse voice that officials from Monsanto offered her department \$4 million in research funding in 1990—an offer she interpreted as an attempt to bribe to obtain approval of growth hormone. Monsanto officials later denied they had ever tried to bribe the scientists. Hayden also testified that someone took her files on the growth hormone from her Ottawa office in 1994.

Her fellow HPR researchers told of managers pressuring them to change a report they had submitted, ordering what they thought were serious gaps in the department's review of the drug. Gerald Lambert, his fellow veterinarian drug reviewer, explained how the files on bovine growth hormone were kept locked up at the HPR under the control of a senior bureaucrat, unavailable to all but a select few. "What the hell kind of system have we got here?" asked Eugene Whelan, co-chair of the Senate committee, an Ontario farmer and a former federal minister of agriculture.

A week later, Whelan received a hint of an answer when a Senate researcher reported that Health Canada employees had been shredding files related to the drug in light of the damaging testimony by Lambert and his colleagues. Health Minister Allan Rock assured Parliament that he took the allegations extremely seriously, and within days of the charges surfacing, his deputy minister, David Dodge, told reporters that the shredding machine had been removed from the department.

These are not the first Health Canada scientists to complain about how the HPR operates. The most vocal critics, many of whom continue to work at the department, maintain they can even pinpoint the root cause

of the agency's problems: the defunctious Chrétien government's decision to review the backlog of all programs after its election in November 1993. The HPR, like most departments, felt the crunch. Its operating budget fell from \$277 million in 1993-1994 to \$213 million a year later.

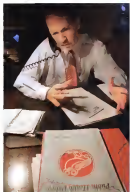
Since then, the HPR's budget has climbed back to \$255 million this fiscal year, thanks in part to the \$55 million that the Kravitz commission recommended be invested annually for the next five years to improve regulatory surveillance of the blood sector. HPR's manpower has fallen marginally to 2,100 from 2,158 in 1996, according to Health Canada figures. But the HPR actually has 192 full-time drug evaluators on the job now, compared with 184 before the program review. Shogart, however, points out that Ottawa is investing \$150 million in a new, state-of-the-art research facility in Winnipeg, part of the Laboratory Centre for Disease Control.

Still, past and present HPR scientists note that the expansion of Health Canada's closure last year of one of its ageing divisions, the Bureau of Drug Research, and the threatened closure of some food research laboratories. Equally worrisome, from the viewpoint of some experts inside and outside the HPR, is the way in which the branch has been forced to cover its own costs, as part of the Laboratory program review process, the Treasury

Board ordered every government department to try to recoup the costs of activities that increase the workload without benefiting taxpayers as a whole. As a result, the HPR now passes on the cost of testing new drugs under the Food and Drugs Act to the pharmaceutical companies that want to bring them to market.

The new system is clearly expensive. During the 1996 fiscal year, fully \$40 million—or 70 per cent of the agency's drug review budget—is expected to come from corporate pockets. But for some, that very reliance is a cause for concern. The controversy arrangement, they contend, has effectively turned the drug companies into "clients" of the HPR—in the process fostering an unhealthy new relationship brimming with potential conflicts of interest. Sher Chopra, another of the veterinary drug evaluators to appear before the Senate committee, testified that drug companies "accessed the minister and everyone in between" gave them undue influence over the approval process.

Dr. Edwards says that, in her experience, pressure from pharmaceutical companies was usually subtle: a letterhead memorandum said an evaluator and ask why a particular drug had not been ap-



**SHOGART IN HIS HPR OFFICE** constantly reassuring Canadians of the agency's ability to safeguard their health.

PHOTO BY GUY LAWRENCE FOR THE GAZETTE



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**Maclean's**  
WHAT MATTERS TO CANADIANS

## COVER

proved. Even if the call was entirely  
by accident, the scientist would  
feel pressured to hurry the pro-  
cess. "The drug companies have  
become all-powerful," says Tim  
Barr, a retired veterinary drugs  
reviewer. "The implication is al-  
ways, 'We paid you money, so why  
hurry our drug on the market?'"

The people who run the HFB  
knew such suspicions are unjusti-  
fied—and dead wrong. Dana  
Michals, director general of the  
Therapeutic Products Program,  
which oversees all drug and med-  
ical devices for human use, insists  
the necessary "fire walls" are in  
place to protect the independence  
of Health Canada's researchers.  
"The fire is local and is paid for  
the review process," he stresses,  
"regardless of whether the deci-  
sion is positive or negative."

Drug regulatory agencies in  
dozens of other countries em-  
ploy similar non-recovery sys-  
tems. In each case, says Michals,  
the philosophy is the same: in-  
crease efficiency and shorten  
the long backlogs of drug submission with-  
out sacrificing safety. Drug evaluations in his  
division now have predefined targets: 300  
days for normal submissions, 180 days for  
uncomplicated modifications, generic drugs,  
or high priority products that may represent  
a major breakthrough. But missing a deadline  
for valid research reasons carries no sanc-  
tion. "The target is not the motivator," he em-  
phasizes. "There is never a compromise of  
quality in the decision."

Ultimately, just 10 per cent of submissions  
before the HFB are turned away. But Michals  
says the low failure rate simply reflects the  
millions of dollars in research funding and  
clinical trials that the drug company has al-  
ready invested to ensure that its product will  
perform as stated. At that point, he says, his  
department's job is to "validate the submis-  
sions"—determining whether research sup-  
ports the company's claims about the drugs,  
examining the side-effects and ensuring that  
the information the company wants to pro-  
vide to the public is accurate.

The HFB reorganization, designed in part to  
rebuild public confidence in the health system  
in the wake of the tainted blood scandal, prob-  
ably will not change that basic definition of the  
HFB's role. Shugart and his officials have  
asked for public input into the retooling of the  
agency's operation and of the load safety laws  
which govern it. But Health Canada has al-  
ready laid out how it plans to renew the HFB.  
The main elements: a more transparent deci-  
sion-making process, a better system for ap-  
portioning risk, clearer ways for responding to  
emerging health dangers, and a greater em-  
phasis on linking with local, national and in-  
ternational experts to track disease and gain  
access to cutting-edge science capabilities.  
When it comes to drug and product reviewing,  
Shugart says the HFB will depend more heav-  
ily on collaboration with outside scientists—  
and in cases where it lacks the expertise, sim-  
ply turn out the work to have someone else  
make the appraisal. But he cautions: "much  
of the testing will still be done in-house."



**DR. BRIFF EDWARDS:** "I had seen enough to know I should not  
be part of what was going on, and not be silent about it."

Assurances of that sort have done little to  
silence critics who think the agency just  
wends out of drug testing shipshape. In their  
view, the reorganization simply camouflages  
the government's bigger goal—deregulating  
the drug business in Canada to make it an  
easier place for pharmaceutical companies to  
operate. For proof they look to Ottawa's mind-  
set plan to reform the basket of laws, some  
more than a century old, that safeguard  
health in Canada. The federal government  
argues that it needs a new legislative package  
to reflect the changing role of federal and  
provincial governments, advances in science  
and medicine and new risks to health.

"The government just wants to water down the law  
solutions," counters Briff Edwards, who claims  
Health Canada officials have already decided  
to do away with the health minister's ability  
to use the threat of criminal liability to keep  
food and drug manufacturers in line. "If it  
cannot enforce one act of Parliament," she  
says, referring to the Food and Drugs Act, "it  
is their duty to resign. I sit and have to give  
them teeth." For an agency already under  
attack, those words just seem to signal more  
controversy on the horizon. □

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Vancouver Film School animators: moving beyond showing and technology

## Soul of a cartoonist

Somerset animation leads to agree on what makes a great film: painstaking artistry, computer wizardry, or both. Instructors at the Vancouver Film School would add a further ingredient—the soul of an actor. Now in its eleventh year, the privately run film school recently made active workshops mandatory for would-be animators. “The goal is to get our students away from their computers—and away from their own skeletons,” says Graeme Gosh, the school’s director of animation studies. “Animators are really actors, acting through the pencil or through the computer.” Do the techniques

work? Television seems to think so. Last month, when the fledgling animation channel awarded its first set of scholarships to aspiring cartoonists, Vancouver Film School graduates took the top four places in the most promising student category. Having, professor of Broadcasting, acting and animation courses under the same roof as the Vancouver Film School apart from the busy course city colleges who have been moving into the field of computerized animation. “Typically, animators have been either pencil artists, and they don’t talk to each other,” says Gosh. “We want to change all that.”

## Computing with a woman’s touch

By most accounts, men outnumber women in computer programming courses. But according to a survey of 278 recent graduates from the Institute for Computer Studies, a private training school in Toronto and Calgary that has affiliations with the universities of Waterloo, Ottawa and Quebec, women are doing better than men at commanding the top salaries. Upon graduation from an intensive 15-month course, female programmers saw the biggest jump in salaries, with 27 per cent earning more than \$50,000, compared with 20 per cent of the men. The survey also reports that women were more successful in gaining the coveted job titles of programmer or project analyst. “We rank female a whole different ranking to the concept of ‘hired,’” says the institute’s executive director, Lorraine Smith. “If anything, companies place a bonus on women with information technology because they tend to have the personal skills that allow them to work in a team environment.”

## CLASSROOM ROUNDUP

**Unfounded.** The B.C. Human Rights Commission has dismissed allegations of widespread racism and racism in the political science department of the University of British Columbia, ending an episode that has embroiled the university in controversy for nearly three years. The commission said that a 1995 report by lawyer Joan McEwen that backed the claims of 12 graduate students was wrong. The McEwen report led the university to temporarily suspend admissions to the political science graduate program.

**Voucher watch.** The nine-year U.S. experiment with school vouchers—giving parents the right to spend their child’s public school allotment as an addition of their choice—appears headed for the top court. In June, the Wisconsin Supreme Court ruled that Milwaukee parents could spend their public dollars on privately run religious schools, setting the scene for the legal showdown. The U.S. Constitution, unlike the Canadian one, expressly prohibits public funding of religion. Voucher proponents back the appeal, hoping for a blanket approval by the Supreme Court. That would give the movement a boost and perhaps even extend its momentum above the border.

**Reprieve.** The Ontario government has given school boards a one-year funding criterion to assure that no provincial schools close before an election that is expected in the spring. Premier Mike Harris also announced that rural schools will not be shut if they can maintain 80 per cent of the province’s enrolment targets, and that the government will hire management consultants to help large boards adjust to the new rules. The Toronto District School Board had said it would have to close 138 schools to meet the new requirements, including the two schools attended by Harris’s sons.

**World class.** Singapore has embarked on a campaign to inject more creativity into its classrooms. Over the next two years, the proportion of teaching devoted to memorizing facts and figures will be reduced by a third, allowing room for discussion, artistic expression and problem solving. The government of Singapore, known as a nation of exam pressure, now says: “The acquisition of information no longer becomes the focus of education.”

**Stiff upper lip.** British universities are giving a break to cash-strapped Asian students whose home currencies have been hit by the economic flu. Fees have been cut by 10 per cent and hardship grants have been increased to keep them studying in Britain. The adjustment comes as British students are paying their first tuition fees—approximately \$5,500 a year—and seeing their university living-expenses grants paid back, part of a government reform.



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## Sports



## Breaking through into the profit zone

### A resurgent CFL defies the doomsayers

BY JAMES DEACON

**D**uring the 1990s, while it was teetering on the brink of bankruptcy, the Canadian Football League rethought itself as a five-foot, six-inch enterprise to keep the fans excited and coming to the parks. So it was a cruel irony that, after a 1997 season in which fiscal unity returned to the game, Doug Flutie packed up his darts and headed for the National Football League. Some pessimists predicted doom for the struggling CFL, but that didn't happen, in part because of another five-foot, six-inch rise with the talent and determination to throw in a big man's game. Mike Pringle, the Montreal Alouettes' hard-charging running back, became the hero in personal most valuable

player Flutie. The 31-year-old native of Los Angeles amassed longtime fans by ranking for 2,065 yards—an astonishing total in the pass-hungry Canadian game and second that may take decades to surpass. "I have always been assisted at the yardage. Pringle aims at the initial contact," marvels CFL Hall of Famer Elson Kelly. "He has the ability to run over some defenders and make others miss in a small space."

Around the country, team owners may be pinching themselves this week, wondering if the 1998 season is a dream. Only two years ago, when CFL governors gathered in a hotel room in Montreal before the 1996 Grey Cup game, they almost shut down what then was a nearly bankrupt league. Now, heading towards next week's Grey Cup in Winnipeg, many of those same owners

Maclean's People looking past the Skorpions: an astonishing 2,065 yards

are causing their profits. How did that happen? Two years of a rigid salary cap. More fans on the stands and watching on TV. More money from the league's two broadcast partners, TSN and CBC. More corporate sponsors. "I think we took a major step towards long-term viability," says league president Jeff Giles.

That said, the CFL is not rich. The teams in the three largest markets—Vancouver, Toronto and Montreal—will all lose money in 1998. And the profit of successful franchises such as the Calgary Stampeders will not be huge. But to team owner Sag Gosselin, who says he lost \$3.1 million in 1996 and 1997 combined, even a small profit feels like a windfall. "All I have to do is have a couple of good years and I'll be a happier person," Gosselin claims. "And this year is going to be one of those years."

The league's turnaround is so much due to good fortune as good planning. Scared by the near-death experience of 1996, the owners tied the line on expenses and salaries in 1987 and at least stopped the bleeding. Then last winter, reacting to competition for broadcast rights from CTV Sportnet, The Sports Network bought the CFL's rights for a reported \$35 million over five years—the league would say only that it was a "significant" increase.

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## SPORTS

over the previous agreement. The CFL then signed upon on-field contracts with, among others, Moban Enterprises, Chrysler and apparel manufacturer Adidas. (The shoe deal was significant to the players because, for the first time, it provided them with free shoes. Previously, most players had to buy their own.) That new income, along with profits from the upcoming Grey Cup, will enable the league to distribute nearly \$1 million to each team.

The well-reported financial mismanagement of the previous two decades left fans and sponsors wondering if it was worth supporting a league that seemed certain to collapse. And inundated with glitzy TV coverage of the NFL to the south, some fans and media outlets began to treat the Canadian game as second-rate.

That damning perception has been more difficult to change than the bad ink on bottom lines, although the CFL got its publicly listed team, Toronto's success with the Tifflite 3000. It also helps that, amid growing disenchantment with petulant millionaire athletes and billionaire team owners in other sports, the CFL has enjoyed labor peace with players who collect middle-class wages. The average salary is \$45,000, compared with \$1.2 million in the American league. And this season, the wife-super CFL has looked positively domestic compared with what has been a dull NFL year. "Ours is a first-rate product," says the league's colorful chairman, John Tory. "We have something you don't see much of anywhere—authentic and affordable sports entertainment."

The CFL is not out of the woods. Tory and Gilles are adamant that they must hold the line on costs in order to make all Canadian teams profitable, but the players, whose collective agreements expire after the Grey Cup, are looking to break through group pay league revenues. Players association head Dan Frevort says his guys have done their bit for league stability—the average player's salary was \$54,000 three years ago. "The prosperity the league is now enjoying is directly the result of the efforts of the players," Frevort says.

But don't expect a mind-set similar to the National Basketball Association's current lockout. Perrygo and Hugh Campbell, the Edmonton Eskimos' president who heads the owners' collective bargaining team, are former players with strong commitments to the league's success. And the two sides acknowledge that the current progress is fragile. "I have told the players we don't want to interrupt the momentum that the league has going right now," Perrygo says. And Tory, who coauthors an commissioner without taking a salary, says it is as the league's interest to reward the men who wear the pads. "The players have bought in," Tory says. "They have been partners with us in turning the league around."

Consider the mutual admiration society, it is unlikely there will be any negotiating discord heard during Grey Cup week. Proulx is almost certain to be named most valuable player, and Mike Flutie, before his, will probably be lauded solely to the NFL. That will be sad for fans here, but as Flutie has shown, it may not be sad for the league for a loss. The CFL, it seems, is tougher than that.

## The Flutie phenomenon

**D**oug Flutie has developed a special collection of series. He's won it today, all-American, here, dapper during a high-lighted university career with the Boston College Eagles. He added the championship laurel by leading the Calgary Stampeders (twice) and the Toronto Argonauts (twice) to Grey Cup victories during eight seasons in the Canadian Football League. And he's performed a modest, aw-shucks

game analyst blithely stated that Flutie had been out of professional football since being discarded by the New England Patriots nine years ago. A player his size, the thinking then went, could not see around all those 300-lb. linemen. Flutie came north, signing with the B.C. Lions in 1990, and found a three-down game perfectly suited to his creative scrambling. He compiled remarkable earnings—in addition to the Grey Cups and awards, he threw for 43,355 yards and 270 touchdowns, and ran for 69 more scores. But he jumped at the B.C.'s offer last year even though he was disgruntled as a backup to high-priced Rob Johnson (his contract guarantees only \$375,000, but with bonuses could rise to as much as \$4.5 million; he earned \$1 million last season in Toronto).

Buffalo's players were wary at first, and some fans and radio holdovers were scathing in their criticism of Bills' general manager John Butler for signing the CFL star. But the quarterback believed his skill could make up for his size, and, since Johnson was saddled with a job-injured last month, Flutie has won over the fans with an exciting, thinking-on-the-run style, dashing away from potential tackles and making plays that few mobile quarterbacks could make into last week's action. Buffalo had won four straight games with Flutie at the helm after beginning the season with one victory and three losses under Johnson, and Flutie was the conference's top-rated passer. "He's 110, but his heart is big," says the Bills' star defensive lineman, Bruce Smith. "The team believes in him."

Resigned by attention last week, Flutie chided the suddenly enthralled U.S. football reporters who inquired at how he had improved. "But I never really got a chance," he said last week. "I did in Canada." That brings smiles to CFL fans, who have long believed in the quality and excitement of their brand of football. In that, the Canadian game is like Flutie himself—undisciplined after years of being regarded with disdain. That explains why, in CFL parlance, as well as in Buffalo, he is a star and more a 1-10-yo-so-grrr.



Flutie living over the Miami Dolphins—the little man has become the NFL's big guy

wrinkle in the corner of his mouth for the six occasions when he was named the CFL's most valuable player. Now, as the starting quarterback for the National Football League's Buffalo Bills, Flutie is adding another to his collection. It's an 1-10-yo-so-grrr, and it looks good on him. "I felt that, and lo-and-behold, I could play the game," the 36-year-old says adding. "But I never really got a chance."

That was then. But Flutie, who was run out of the ice-matters NFL in 1989, has become the feel-good story of 1998. The hottest cereal on western New York supermarket shelves is Flutie Flakes. To hear Americans tell it, the five-foot, snappy, 176-lb. quarterback came out of "nowhere"—personality is a phenomenon for Canada—to breathe life into the sagging Bills. One network

Edited by  
TANIA DAVIES

## The love of a great author

**S**hort and sweet world wonders for celebrated Canadian writer Alice Munro last week, when she won the Giller Prize for fiction for her collection of short stories, *The Love of a Good Woman* (McClelland & Stewart). One of six authors shortlisted for the \$25,000 Canadian literary prize, Munro had the only collection of stories. "It is a wonderful moment for me," she said in her acceptance speech. "A real moment for those of us who can't kick the habit of writing short stories."

This was hardly Munro's first literary prize. The 61-year-old has won three Governor General's Awards (in 1968, 1978 and 1980), and in 1997 she became the first non-American to take home the PEN/Melwood Award, which recognizes excellence in short fiction. But this is the first time she has been nominated for the Giller (though she was in the jury in 1990). Famously shy, Munro—who divides her time between Clinton, Ont., and Census, B.C., with her husband, Gerry Frawley—arrived at the giddy Toronto event just before dinner, eschewing the packed reception. When fellow writer



Being with the Giller Prize trophy statue: "It is a wonderful moment for me"

Guy Vanderhaeghe announced her name, Munro climbed onstage to a thunderous standing ovation from the crowd of 400 people. Munro kept her comments, like her award-winning work, brief. "The fact that short stories are considered on the same level as longer fiction is a very important step."

## A Renaissance rock 'n' roller

**J**ohn Mellencamp has one of the most explosive resumes in rock 'n' roll. Since his 1976 debut, *Redd Foxx* (Atlantic), he has written and recorded 10 singles that have become Top 40 hits, including *Run to the Sun* and *Jack and Diane*. In 1982, the musician expanded his repertoire, co-writing, directing and starring in the critically acclaimed movie *Back to Back*. And with his 15th album out this month, as well as a book featuring his experimental painting, the 43-year-old Indiana native has much to celebrate. "It all comes from the desire to create something," says Mellencamp, who started painting in 1988. "Plus, it keeps me off the streets."

The streets where Mellencamp grew



Mellencamp, his music, his art and his desire to create something

up were in the town of Seymour. He was the second of five children born to an electrician and a Miss Indiana runner-up. By Grade 5 he was playing in his first band. In 1982, after he married supermodel Elaine Irwin, his third wife,

last month, HarperCollins will release the Irish culture-cable book showcasing 75 of his paintings. "I need to be a knucklehead guy who only cared about chasing girls," he says. "Now I've got something to show for myself."



Condominiums on Toronto's waterfront have been a sales success. At 559 Queen's Quay West (2nd photo) were sold since June '98 and nearly to the same effect in all areas.

Life is short. Play hard.

## A look at various CONDOMINIUM LIFESTYLES FOR TODAY'S BUSY EXECUTIVE

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working out or even playing virtual reality golf. Today's condominium builders offer an array of lifestyles for any age. We will look at locations on the waterfront, uptown Toronto and in the suburbs. Each location offers its own unique lifestyle.



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# LEISURE is the SPICE of LIFE

The growing pressures of modern day life have made condominium living a preferred lifestyle for countless professional couples. The demand for more convenience and service has prompted condominium developers to be creative to attract purchasers to their locations. Today, the confidence by builders is enormous, according to Patrick O'Halloran, an industry veteran and President of the Angus Glen Development Limited. "In 1997, there were 400 new home developments in the Metro CMA. In 1998, this has mushroomed to 680." The vast selection available can confuse and perhaps intimidate a buyer as they make their decision to purchase a condominium.

The first step is to determine the location and lifestyle desired. The purchase of a condominium lifestyle is a matter of personal taste. A review of new condominium developments will provide a sample of the different lifestyle choices available to purchasers. Toronto's waterfront is undergoing a major redevelopment, with parks and beaches being created to revitalize this once industrial area of Toronto. You can visit Newport Beach on Lakeshore Blvd. and Parkview Rd. In Etobicoke to experience the beauty of waterfront living. This waterfront location has luxurious townhomes, apartments and water's penthouses to choose from. The lifestyle here offers romantic walks on the boardwalk, beautiful sunset and

*Tridel is Canada's leading developer and builder of condominium residences, having produced more than 60,000 homes in its 60 years of operation.*

stunning lakeside views. Some of the most interesting amenities at this project are the elite lounge, hobbyists' room and guest suites for out of town family and friends. This project is a like no other in the city as it is 20 km from downtown Toronto and minutes from the airport. Andy Kowalsky, salesperson for Newport Beach, expects the site to be sold out by the end of the year, since more than

80 per cent of the suites are sold.

This sales success has also been seen at Pacific Century's 580 Queen's Quay between Bathurst St. and Spadina Rd. in downtown Toronto. Here you can duck your head at Marina Key West to public facility, and then jump into your outdoor hot tub to relax after a day of touring. Jane McElroy, Director of Sales states, "The vision for the project was to create that all residents will enjoy life to the maximum. You can live like a millionaire without the wait." The designs are an efficient use of space that provide buyers good value and they are aesthetically inspired layouts.

If you want to live near all the action, you can look to 123 Eglinton Ave. East by Tridel, one of the leading builders of condominiums in Toronto. This building is located three blocks east of Yonge St. and Eglinton Ave. East is right in the middle of one of Toronto's premier nightlife areas that includes restaurants, shopping and movie theatres. The prime location was formerly home to the Union Carbide Building, which is slated for demolition. There is a limited selection of ground level homes with their own outdoor patios, with street access through wrought iron gates.



Condominium developments provide the best of both worlds - the convenience of a condominium with the privacy of a house. The builder of Newport Beach, Canderel-Stoneridge, was awarded the Developer of the Year Award in 1997 from Building Magazine.

The view from the sales office looking out Newport Beach must be seen to be believed

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Told offers a heated outdoor pool and barbecue area with patio seating and sunbath. The area will be landscaped with mature shrubs, trees and plant life to provide a relaxing setting for the residents.

If you are not a city person, but wish to live in a country-like setting, you can look to Danville Wellington Hall in Markham. Here, you can see over the Rouge River Valley or you can walk through lush gardens on the landscaped grounds. To keep condo fees low the amenity package has been kept to a minimum. Another suburban development called Skyway West in Mississauga (by Inland) offers a more active lifestyle. Here you can enjoy a vast array of amenities that include virtual reality golf, billiards, bowling lanes, squash and racquetball.

### NEIGHBORHOOD WATCH

A new neighborhood in Rosedale available for sale

Luxurious homes opened 47 homes on November 7 in the quiet neighborhood of Rosedale. These homes are located off Woodbine Ave. and Price St. to the east behind the Yongs and Summerhill L.C.R.D. location.

It offers a collection of sophisticated and single-family homes. The area office is located at 580 Yonge St. and the phone number is (416) 563-1499. This is your chance to create a Rosedale dream home without the hassle of renovations and it has a new home warranty program that!



Whatever lifestyle you prefer to there it is: Early a condominium that suits your needs in the location you want. Most of the area removed have a private club for the residents and all can accommodate a home office for the busy executive. There is even a boardroom available in some buildings. The area removed in this article are just an indication of what is expected when you start your shopping. The advantage of condominium living remains lower as owners are no longer burdened with the day-to-day upkeep of a traditional home.

### 33 DELISLE AVENUE

If you are an executive who has made it to the top, you can visit 33 Delisle Ave. at Yonge St. at St. Clair. This modern building, just recently opened, offers elegant and stylish apartment suites for the discerning buyer. There are private corners in the penthouse suites and the two-bedroom home patios. Many suites have unique box windows and French doors that lead you to your balcony or terrace. You can also have a fireplace in your suite, a lovely feature that offers a cozy and relaxing atmosphere. The building is the internationally renowned firm of Price & Bunnell, that has designed other prestigious landmarks in the city such as the Prince Arthur in Toronto and the Windsor Arms. The architecture is reflective of the Georgian character of the commercial buildings nearby.



The model suite at 33 Delisle creates an ambience of refinement and sophistication from its interior. The interior of the building has been designed by Alex Chapple Design, a firm that has won numerous design awards.

■ Sales of condos in 1996 were 5,500 units. In 1997, it was 5,250 units — a 5% per cent increase. In the first half of 1998, sales were 3,797 — a 25% per cent increase over the first half of 1997. To date, in 1998, 30 per cent of all new homes sold are condominiums. Source: Greater Toronto Home Builders Association

■ "Entry the condominium lifestyle is as popular with empty nesters as it is with single professionals and couples buying their first homes. For those wanting a downtown address at an affordable price, condominiums are a great alternative." Ron Hingler, Greater Toronto Home Builders Association

■ Veronica Lord, vice president of Baker Real Estate Corporation states: "Condos are popular amongst families that own multiple homes. They want a house that is easy to care for while they are away." She estimates that 10 per cent of the over four million residents in the Metro-GTA fit this description.



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#### A Summary of Recreational Amenities of the Six Featured Condominiums

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Books

## Challenging the sea

Three new books question what motivates modern adventurers

BY D'ARCY JENISH

**T**ears rolled down the cheeks of seven-year-old Emma as she hugged her father, Gerry Roush, one last time on that overcast afternoon in early November 1995. The young star was oblivious to the huge crowds of people who milled about the shores of Les Sables-d'Olonne, a resort town on France's Bay of Biscay, and tens of thousands more who lined the breakwaters that led from the local harbor to the sea. The crowds had come to see her father, a 45-year-old Mastercraft, and 15 other competitors, including two women, embark on one of the world's most dangerous athletic competitions—the 43,000-km Vendée Globe, in which the solo racers would attempt to sail their 60-foot yachts around Antarctica without touching land. Emma and her mother, Quebecer Michèle Carlier, gave Roush photos of themselves and his Christmas present—a banner for his private store—since the race would last at least three months. For good luck, the young girl handed her father a stuffed doll

By Christmas, the tenaciously competitive Roush, an ex-layoff turned professional sailor, was navigating the roiled waters of the Southern Ocean, where the Atlantic, Pacific and Indian Oceans converge around Antarctica. He had a secure hold on second place. But in early January 1997, his luck ran out. He disappeared in a catastrophic Southern Ocean storm that brought hurricane-force winds and 15-to 18-m waves. Almost every competitor had close encounters with disaster, and three were miraculously rescued from their disabled yachts. It was, by any measure, an extraordinary race, and Toronto writer, former lawyer and amateur sailor Derek Landy has turned it into quite a book, *Godsend and No Return: the World's Most Dangerous Race*. "It seemed impossible not to be fascinated by the race's audacity," Landy writes, "its rubric of the most difficult kind of sailing (single-handed) in the most extreme form possible (unassisted and unstoppage)." For most readers, the mere thought of sailing the Southern Ocean, like climbing the world's tallest mountains, raises just eternal questions: what makes men and occasionally women do such things? Landy devotes a whole



*Sleazen in Brazil: Roush (top); catastrophic storm*



Turk, a perpetually restless spirit exploring waters from the tip of South America to Baffin Island

chapter to the subject, while two other recent books about oceanic empires address the issue, though less successfully. The first, by Hulse writer Ann Spencer in *Along At Sea: The Adventures of Joshua Slocum*, a biography of the Nova Scotia-born sailor who in 1900 completed the first solo sailing trip around the world. The second is a recent *Gold Ocean: Adventures in Kapa, Kowhai and Dugald* by American writer Jon Turk, who divides his time between Montana and British Columbia's Kootenay Mountains.

Turk, who has risked his life several times, seemingly for the fun of it and little more, sums up nicely the quixotic fating contemporary adventurers and what drives them to ever more extreme trials. "They have no real heads to discover, no codes to give, and no enemies to defeat," he observes. "Modern adventurers cruise venturing by arbitrary goals and then strive hard to achieve them."

The Vendée Globe, conceived by French sailing legend Philippe Jeantot and held every three to four years since 1980, is a quarterly contemporary adventure—a race the competitors who have rounded all continents. The participants, who must be approved by the French Federation of Sailing, spend months and sometimes years raising sponsorship money to design, build and equip vessels that can cost \$4.6 million. The hulls are constructed of the toughest alloys. The masts and rigging are capable of carrying unusually large sails to maintain speed. And the cabins are loaded with state-of-the-art communications equipment so that competitors can read air forecasts and e-mail, make phone calls and receive weather bulletins. In the 1996-1997 race, some sailors posted daily dispatches on their own Web pages and, in one email message from the Southern Ocean, *Weekend Update*: "There is a big hole. It's a hole version of Bora."

The boats also carried sophisticated emergency position beacons to disclose their locations in disaster struck, and these devices led to three mariners rescues in the 1996-1997 race. British competitor Peter Goss placed 28-year-old Frenchman Raphaël Dinelli from a life-line, divorced by his Australian sea-band rescue plane, more than 30 hours after Dinelli's boat capsized. An Australian vessel rescued French sailor Thierry Dubois and Englishman Timmy Ballewren 47 days after their boats were almost unanimously disabled. The three men were so cold they could hardly pass, but they were alive.

Really, on the other hand, disappointed without turning on his emergency beacons, and the cause of his death remains a mystery. In 1990,

July 1990, Chinese fishermen located his overturned boat 100 km off their coast, but it sank before they could inspect it. Race organizers, meanwhile, had long since given up hope. On March 21, after the last competitor had sailed into Les Sables-d'Olonne five weeks before the start, a Chinese captain declared that Ballewren "must be added to the long list of sailors lost to sea without explanation."

That list would also include the name Joshua Slocum, the great 19th-century explorer and the subject of Spencer's thorough but unsympathetic biography. Slocum was born in Nova Scotia's Annapolis Valley in 1844 and moved to a shipyard in the Ship of Fowey in England. After losing the vessel to sea at 18 and spent as little time as possible on land from then until November 1868, when he sailed away from his Massachusetts home, never to be heard from again. Slocum was a merchant seaman who traded cargo between Asia, America and Europe. He had seven children—three of whom died in infancy—by his beloved first wife, an Australian named Victoria Walker, and a life filled with adventures and setbacks—crisis after crisis, encounters with pirates and financial losses.

Slocum first became captain of a ship at age 25 and, within 13 years, was part owner of one of the fastest racing boats in America. Unhappily, Slocum was replacing sail as a source of power on the sea. But Slocum refused to accept the new steam-driven ships and his losses—both personal and professional—quickly snowed. His wife died in 1864, one month shy of her 13th birthday, and 19 months later he married a first cousin wholly unsuited to his lifestyle. The rise of the steamers forced him to scrounge for cargo and have serious crises and he finally lost a ship in Brazil. Stranded there with his second wife and two of his four surviving children, he took a 19-month voyage to sail almost 60,000 km back to his home port of Boston. By age 43 he was penniless and his career as a merchant seaman was over.

Adversity turned Slocum into an adventurer. In the winter of 1887, a retired whaling captain gave him a dilapidated oyster boat, which was about 37 feet long and 14 feet wide. He rebuilt it, named it the *Spray* and, being unable to adjust to what he called "land living," left in April 1885, on what became an epic three-year voyage. In her biography *Along At Sea*, Spencer delivers the facts but frequently misses the flavor of a storm-tossed life spent around bustling 19th-century ports. Nor does she capture the dangers he faced sailing solo through the wild waters on earth, including portions of the Southern Ocean that mark the Vendée Globe sailors in their multimillion-dollar high-tech yachts.

Over the past 20 years, Turk has embarked on many different adventures and he recounts some of them in his new book, *Gold Ocean*. He has paddled the waters of the very tip of South America in a kayak, gone down the Mackenzie River and into the Northwest Passage in a rowboat, and traversed part of Baffin Island by dog sled. In this, he is a different sort of adventurer from sailors like Slocum, or the men and women who compete in the Vendée Globe. That like them, he is a perpetually restless spirit who finds conventional careers and challenges unexciting. He earned a PhD in chemistry but pressed on a career in an academic. He had been through two marriages and had three children, including a daughter he acknowledges he barely knows. Before he was 35, he had at least three by name and other dark children without ever really saying what is bothering him. And his willingness to frequently labor and blizzard with clothes. Yet he reminds the reader that the world is still full of natural wonders and beautiful places to visit, even if they have all been explored by someone else. □



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By PJ O'Rourke  
O'Rourke Monthly Press, 245 pages, \$32.95

Reading PJ O'Rourke's new book is a lot like gorging on a bag of potato chips: they taste great at the time, but when you leave you feeling still hungry, slightly grumpy and with a peculiar taste in your mouth. *Eat the Rich* is essentially a series of stand-alone essays, a triologue focused on economic conditions in various countries. A self-described "economic idiot," O'Rourke has set out to explore why some places "prosper and thrive, while others just suck." The American writer neatly bisects the world into examples of "good" and "bad" societies and capitalism, with a clear bias in favor of free, unfettered markets. This odyssey, recounted in his distinctive, sarcastic style, takes O'Rourke from Russia to Tanzania, from Cuba to Sweden, in search of answers—and excuses for little one-liners at the expense of the books.

O'Rourke's first stop is Wall Street, which he upholds as the purest example of free-market capitalism. Visiting the floor of the New York Stock Exchange, he quotes the requisite quips about the Walling, the upie outfit and bad language. He also provides a clearly slapstick analysis of the recent stock crash in financial markets, the result of analysts who allegedly leave the reader with such clichéd conclusions as, "The investment industry creates panic and euphoria." As with subsequent chapters, this one relies too much on clustered numbers and facts, the sort one finds in official publicity packages and data releases. "The New York Stock Exchange does \$25 billion in business on an average day," he reports. "There are 300 billion shares registered on the New York Stock Exchange. More than \$1 trillion of international currency changes hands every day."

He finds much better in his take on Hong Kong-style capitalism: a "winning paradigm" that is "socialism's perfect opposite." An accomplished travel writer, O'Rourke captures the exotic energy of the city state and its laissez-faire system, which allows "hardly enough welfare to keep one U.S. trader park in snafu dishes and Marlboro Lights." While lamenting the 1987 bond-over



O'Rourke: a collection of essays exploring why some places thrive, while others just suck

of Hong Kong to China's Communist regime, O'Rourke remains sanguine about the impact of the Asian crisis. He asserts that "a near continent-wide financial collapse is unlikely to face the people of Hong Kong."

He does, however, have grave reservations about the effect of China's rise. O'Rourke has a scathing view of China's hybrid version of capitalism, specifically its manifestation in Shanghai. He compares the squalid tenements with the city's rapid economic transformation, pronouncing, "A free market is a natural evolution of freedom. There's a missing link in Shanghai." Unlike the Democratic economy of Hong Kong, Shanghai is overhailed, its prosperity bedeviled by—and subject to—a higher power: the state.

For someone who claims to be an economic sceptic, O'Rourke has strong views about such matters as state intervention in economic affairs. He uses his travels to Cuba and Sweden to bolster his case against government-run economies, although Sweden's "good socialism" is depicted as more nurturing and less inherently evil than Castro's regime.

In fact, O'Rourke is take on Sweden is especially resonant for Canadians because it examines a parallel, albeit more extreme, socio-economic model. It is a snapshot of what Canada was poised to become before the deficit crisis of the early 1990s curtailed government spending and brought many of its programs to an abrupt end. Among other similarities, Sweden has a national sales tax on goods and services—25 per cent, as compared with Canada's seven-per-cent GST—and a high unemployment rate of 13 per cent compared with Canada's 10.5-per-cent rate. It

also has an exceptionally polite population and a self-declared identity crisis, both of which have been attributed to Canada as well.

The chapter on Sweden is one of the few in which O'Rourke breaks away from smart-mouth commentary and cribbed statistics to offer some fresh content. He observes, for example, that dating back to the time of the Vikings, Swedes have had a deeply ingrained tradition of consensus decision-making. As a result, a dominant role for government is an accepted part of community life.

A piece about modern Russia is a version of community life is perhaps the most vivid and instructive part of O'Rourke's book. It is particularly relevant in light of that country's recent economic collapse—which is foreshadowed in the author's depiction of a newly-thriven economy run amok. While cataloguing the damage done by decades of central planning and consumer deprivation, O'Rourke's portrait of inadequate infrastructure and woefully outdated reforms overlaid by hyperbolic growth and expectations is undoubtedly timely and alarming.

In the end, however, O'Rourke fails to pull together all the disparate pieces of *Eat the Rich*. And he never really does resolve the reasons for the ups and downs of the global economy. In the book's bare conclusion, he declares that the modern industrial economy, although it works better in some places than others, O'Rourke also offers up the obvious insight that hard work, education, responsibility, rule-of-law democracy and property rights are imperative for economic success. Pass the chips.

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## BOOKS

### Persevering Pamela

A top broadcaster retraces her climb

SINCE YOU ASKED  
By Pamela Wallin  
(Random House, 296 pages, \$32.95)

The title of Pamela Wallin's new memoir may irritate some of her fans. Many will pick up *Since You Asked* expecting to get the inside scoop on her famous firing from CBC's *News Night* in April, 1995. But the broadcaster does not provide answers to any death-throat what-ifs behind the scenes. She was not allowed to: the settlement reached by her lawyer and those representing the CBC included nondisclosure terms. Then, there is the factor of Wallin's age. An octogenarian who once so authoritatively should be able to write about his or her life without worrying about self-censorship. But at age 65, Wallin has a lot of living—and writing—to do, a good reason for avoiding stepping on some toes. So while Wallin does a good job of revealing the generally healthy relationships she had to endure at the CBC, there is no real fire at Peter Mansbridge or the public broadcaster's lanes.

In the five years since her departure from CBC, Wallin has been on over 100 with Pamela Wallin, an hour-long interview show that is one of the most-watched programs on CBC Newsweek, she has launched out into a number of enterprises, some of them on Madison's TV, a weekly half-hour program seen all from this perspective, which she hosts and co-produces. If there is a theme to Wallin's autobiography, it is that women have a lot to offer the worlds of journalism and broadcasting. And, despite recent fires, the story she tells is a satisfying one.

As both a professional whose tools of the trade are words, Wallin has produced a well-crafted memoir. She recounts her life in clear, spare prose, drawing occasionally to glorification on the art and craft of journalism. General chapters delineate specific moments in her life, from her childhood in Wilfrid, Sask., her days as a budding radio producer in Regina, her search for a radio job at CBC in Ottawa and Toronto, and then her fall and rise again at different divisions of the



Wallin says that at 6, she is based to accompany about her 1980 firing from the CBC

CBC. In "Byline" about her stint as a *Post-Newsweek* reporter for *The Toronto Star* she only once the worked in print, she recounts how in the pre-computer 1970s she would literally cut and paste her stories in an effort to improve them. "To my mind, it was efficient and saved all the unnecessary re-writing." And if it provided hours of laughter from her editors in Toronto, who could trace her rewritten tape and scissors traces, so be it. She did not miss "writing progress" but lost her writing.

Whether she needs too much or too little depends on each point of view. At the Toronto launch of the book last week, Wallin noted that some of her friends and relatives in Wilfrid—which she still visits regularly and uses as a backdrop for *Private*—are amazed at her life's ups and downs. She does, in fact, feel obliged to working and being actively active in her old-time, and later provides vivid detail about finding a boyfriend in just every Saturday

morning for a year—on the same of action, but a small town, necessarily, worth to hear about one of its most celebrated daughters. Yet for many readers, her account of her formative years will seem impossibly idyllic, a lapse she is effect apologies for by writing "I'm warning you now. What follows may read like a travelogue for a town, or a paid advertisement for the family."

Where Wallin excels in showing what it is like being a woman in the "boys' club" that was, and often still is, journalism, like a woman being a feminist, upholding that sword throughout the book. She also acknowledged her debt to those like Barbara Frum, Maryse Nickolls and Elizabeth Gony who preceded her. And Wallin is lovely aware of her importance as a role model for others—or in the past, it, "having the fate of all female reporters on my shoulders." This was first brought home to her in 1982 when CTV went first to Bureau Agents to cover the Falklands War. She recalls how her then boss Don Cameron said to her: "Scrutinize up and down it for her all week, who wants to be war correspondents." He meant it kindly, but those words would echo in her ears whenever she was truth-telling, such as when she became Canada's first woman's first female Ottawa bureau chief.

Wallin even left that burden when the CBC fired her. Despite all the frustration and humiliation she experienced at the time, she recalls one incident in particular. "The next day, on the road, even today in the airport at a young woman, a sturdy pregnant woman watched with tears in her eyes as I made my last pass through the office. I knew what she was thinking: If they can do that to you, they can do this to any woman. I was heart and determined both that moment on to show that they were wrong, that I, and in turn she, could beat the odds."

As the reader close in her final chapters, Wallin has done just that. She has written a book that should be mandatory reading for any young woman even thinking of a career in journalism. As for her lessons of life, she never takes with grace, she never with a more intense pleasure of the TV personality they have come to know and trust.

BARBARA WILKINSON

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Blanchett (left), Blanchett and Cliff Curtis in a scene from *Elizabeth*

## Films

# Apprentice queen

How Elizabeth I learned to wield power

**ELIZABETH**  
Directed by Shrekar Kapur

The royal family that produced Elizabeth I was beyond dysfunctional—hence the current Wind-up club serves positively healthy by comparison. When Elizabeth was just 5, her father, Henry VIII, divorced her and her mother, Jane Boleyn, beheaded. At 21, she narrowly escaped the same fate when she was thrown into the Tower of London by her half-sister, Queen Mary II, after inheriting the throne in 1558. Elizabeth was surrounded by a cabal of conspirators, male enemies of France and Spain and became the target of a papal death warrant. Despite all this, she held the throne for 45 years. Her reign, which ended Shakespeare's genius, became known as the Golden Age.

Elizabeth's life coming-of-age story, the portrait of a 16th-century woman as a young feminist. Cate Blanchett delivers a sensational performance as this scared, vulnerable but highly intelligent survivor, who masters the art of political cunning while leading off lies and rumors. And she is surrounded by a top-notch cast. An archly married Geoffrey Rush (Star) portrays her defender, Sir Francis Walsingham. Christopher Eccleston (Jack) gifts her with rubber as her nemesis, the Duke of Norfolk. Joseph Fiennes (Ralph) portrays her father, the queen's secret lover, a courtier named Robert Dudley.

key. And Sir Richard Attenborough weighs in as her early adviser, Sir William Cecil. Indian director Shrekar Kapur (*Bandit Queen*) has gone out of his way to make a costume picture that is not out from the same old cloth as *Merchandise* heavy duty. With melodramatic misadventure—which misadventure to be lethal and death at the same time—the costs as Elizabethan film cost, a modern conspiracy thriller set in the 16th century. *Shrekar* has kept power the above, and assassinations are interwoven with church drama, as *The Godfather*.

But just as Elizabeth becomes strategized in her royal robes, the drama is often choked by its own heightened sense of style. Although the look is exciting and seductive, the misadventure of the plot served up is such a breathless fantasy that it is hard to keep track of who's who and what's going on. Also, it's impossible not to think of Shakespeare while watching an Elizabethan drama of royal treachery. And need to the richness of a Shakespearean language, the dizzying run-and-rund of *Elizabeth* seems really fine. Still, the film is well worth seeing. It only for Blanchett's excellent performance. Reminiscent of Tilda Swinton's gender-bending turn in *Orlando*, Blanchett's chilling transformation from a volatile young woman into the pale, white-powdered Virgin Queen is longers as a haunting image of what a woman must do to rule a man's world.

BRIAN D. JOHNSON

## Things to do on the rebound

**LIVING OUT LOUD**  
Directed by Richard LaGravenese

As a screenwriter, he has penned more than his share of fantasies about female empowerment—including such story adaptations as *The Mirror Has Two Faces*, *The Bridges of Madison County*, *The Horse Whisperer* and *Beloved*. Now in his directing debut, Richard LaGravenese offers yet another woman carving out her own destiny. But *Living Out Loud* is more intimate, edgier fare. And although the story—LaGravenese's first original screenplay since 1991's *The Fisher King*—adds up to less than the sum of its parts, it has a definite charm. *Living Out Loud* is the debut of a girl-right-out movie for a shy New Yorker, an adult comedy with a mature look at giddy wish-fulfillment. Holly Hunter plays Judith, whose 15-year marriage ends when her controlling husband (Martin Donovan) elopes her for a younger woman. But being dumped, apparently, has its rewards in single-girl heaven. You can (at least) a full service massage, without guilt, from a man who looks like a Calvin Klein underwear model and is willing to remove the merchandise. (It hangs out in a pet club and becomes pals with a cool African-American dive (Queen Latifah), to pay a sex-expanding drug and melt into the dance floor of a lesbian nightclub thronged with hundreds of women who all look like runway models.

Yes, it sounds pretty silly. But made from these go-go short stories, Judith also has to weigh the pros and cons of getting involved with a man steeped like a football—Pat (Dwight Dillard), the elevator operator in her uptown Manhattan apartment building. Pat is a sensitive guy with the heart of sex appeal that needs explaining. He wears his heart, but does not burn his candle.

Hunter and DeVito make an oddly compelling pair as two needy souls whose needs do not quite coincide. And LaGravenese authentically taps into the fears of the middle-aged woman who finds herself eating in restaurants alone with a book. He also explores his heroine's degradation with a playful touch—in an early scene the complex jumps out the window and landing on her ex and his new girlfriend, killing both of them as well as herself. *Living Out Loud* may not be the date movie of the year. But it is a smart tonic for a woman who finds herself suddenly single, or worse she were.

B.D.

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## FILMS



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## A tale that tanks

### THE SIEGE

Directed by Edward Zwick

Here is a film that has attracted more notoriety than it deserves. After seeing promotional trailers, Islamic groups in the United States and Canada have staged protests objecting to the portrayal of Muslims as terrorists. That's ironic, because unlike so many worthless action movies that glorify American military might, *The Siege* actually attempts to insert a liberal agenda. Its real villain is the U.S. military. And the movie is a customary tale in which our noblest of sinners, *Arabs*, are stopped at their night while the army puts New York City under martial law to flush out a terrorist cell. It is a promising scenario, and with images of troops in the streets, it recalls *Marines* under the War Measures Act in 1917. The problem with *The Siege*, however, is not that it stereotypes Muslims, but that it stereotypes people—with a couplehundred clichés that run ever-past in sight.

The culprit as director, co-producer and co-writer Edward Zwick, whose resume includes such high-minded military epics as *Glory* and *Courage Under Fire*. Zwick begins by glossing his story in current events, with news clips of the recent U.S. embassy bombings in East Africa, and of President Bill Clinton's response. The Siege then immerses us in Islamic terrorism, begins blowing up police targets in New York City. They hit a bus, a federal building—and a crowded Broadway theatre, destroying a Who's Who of the cultural elite. (Although *Biggie* is on the rooftop, there is no suggestion that its first producer, Garth Drabinsky, might have planted the bomb as an act of revenge.)

The plot unfolds in a kind of prison triangle involving the FBI, the CIA and the army. Deane Cain (Washington stars in 'Halo' Hubbard, who heads up a joint FBI-CIA unit) is a naive, naive, naive. He is the town drunk, a glib and unrepentant cop who treats the problem as a police matter. Detective Denise (portrayed Else, a shy CIA spook who sneaks dope and sleep with her Arab informant, Bruce Willis) completes the triangle as Devereaux, a machine-like general enforcing martial law at any cost. As the fiction unfolds, producing an armed standoff between the army and the FBI, the movie gets increasingly ludicrous, with the FBI acting as the master of civil liberties. The only thing worse than a dumb action movie is a dumb action movie trying to be smart.

IRVING D. JOHNSON

# Allan Fotheringham

## Let all vertically challenged males hail Doug Flutie

**R**ay Heard has an idea. When Ray Heard gets an idea he's like a dog with a bone. That would be a small dog, since Ray Heard is only five foot six. He wants to start a Doug Flutie Club, named after the star quarterback for the Buffalo Bills, who is a shrimp because he is only five-nine and most of the other members in the National Football League are nine-foot-four and drink battery acid for breakfast.

Heard is perpetually irritated, as are all short men with Napoleonic complexes, at how the world treats those who are vertically challenged. Doug Flutie is their new champion, chosen for nearly a decade to be the ex-ile of the Canadian Football League by the NFL Jerks who claimed he was too short and now he's on the cover of Sports Illustrated and has his own cereal box named after him.

What's with all that derogatory name-nos, the most overlooked prejudice in the land? Churchill, the greatest man of this century, was five-six. Napoleon himself, as we know, was only five-four and we never did find out what he was doing with that hand made his pocket. Bage, if you look at the old snapshots, was shorter than Lauren Bacall.

Heard has earned his credentials, paid his way as we say, as the path to the crowning seat of his life, co-anchor at the Doug Flutie Club. He's South African, arrived at Harvard in 1960 and never went back. Now senior advisor to the chairman of the Royal Bank of Canada, he has been managing editor of the Montreal Star, vice-president of news at Global TV, has an extremely beautiful wife and throws garden parties that could be listed in the who's who of suspect journalists.

The highlight of his career might have been, as the Star's Washington correspondent, the final flight of the prize gang following the doomed George McGovern in the 1972 presidential race. McGovern, Canada's even win, has another's vote as he was wrapped by Richard Nixon and everyone knew it as they boarded the campaign-ending flight from Detroit to Los Angeles.

It was Halliwell and the pilot (later suspended) arrived on board wearing plaid jersey shorts and First World War Snooty goggles. One of the more attractive of McGovern's genes seep-

er was doing a striptease in the wet suit that Heard, a surfing nut, always carried with him. Certain reporters (they do these things on the final night) were making love in the overhead luggage rack. Dr. Hunter S. Thompson, inventor of gonorrhea journalism, had passed out as usual.

Heard remembers at one stage going into the cockpit—and there was no one there. All he could see were the tips of the nose covered Rockies. But I digress.

Back to this shameful shortness. Alan Ladd, if you'll recall, had to have his leading lady stand in a ditch to feel the cinema. Sylvester Stallone has to stand on two copies of the Los Angeles phone book to kiss his tormentor.

One of the mean things that killed Robert Stackfield was that on TV he looked like a lean and giant Lincoln and one misapprehension certainly well over six feet. Encountered in person or on the platform, he seemed so disapproving to the voters.

Prime ministers John Diefenderfer, Brian Mulroney and Joe Clark were all over six feet. While Pierre Trudeau, who towered as a giant over all of them was perhaps five-eight. It was said that when he entered a room, he took the air out of it. (When Joe now known as Jeremiah Clark entered a room you got the feeling someone had just left.)

One of the great secrets of our time is that Jean Chrétien, while surprisingly tall, is run by a coterie of midgets. The Ottawa joke about his backer for Ringuin, Eddie Goldsmith, apparently over-endowed in that on Halloween he goes out disguised as a gas pump.

The second of his brain trust, Power Corp. millionaire John Rae, brother of former Ontario premier Bob Rae, is in as danger of being up his head on anything. The third midget, Toronto legal eagle David Smith, pulled off the greatest political triumph since Stalin in 1933 or perhaps Huey Long in Louisiana by winning 98 of 99 seats in Ontario for Chrétien's Liberals in the first federal election.

Scientists tell us that in our million B.C. the average height of women was four-foot-two, men only four-six. By 2050, thanks to improved diet and medical care, it will be an average of five-seven for the women, six-foot-two for the men. What about the little guys?

Mickey Rooney? Five-foot-six with eight wives, including the statuesque Ava Gardner. Mel Lastman? The screwball mayor of Toronto—five-two even. Including his ridiculous hair implants. (Name Live-long!) Most brilliant journalist ever to become a politician, accurately described as "a radical gnomish." Barry by his five feet. Bill Clinton's first labor secretary, a fellow Rhodes Scholar at Oxford, was four-foot-ten (and much shorter than Princess Margaret).

All but the Doug Flutie Club! Mel! I'm six foot one, and therefore can never understand all this nonsense about height that is always passing people



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